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Japan

Hosokawa Announces Statement on Resignation

OW0804092994 Tokyo NHK General Television Network in Japanese 0603 GMT 8 Apr 94

[Opening statement at news conference by Prime Minister Morihiro Hosokawa at the prime minister's official residence—live]

[Text] At a meeting of chairmen of the ruling coalition parties and at an extraordinary session of the cabinet that were held just a while ago, I expressed my intention to resign as prime minister and received their approval. Since I took office last August, I have expressed my feelings about problems related to Japan's wartime past, and worked on such major tasks as political reform, the Uruguay Round, several packages of measures to stimulate the economy, the relaxation of regulations, and Japan-U.S. framework talks. I have put into effect several reforms the government of the Liberal Democratic Party was unable to carry out. For Japan's future, I worked out plans for the reform of the current tax system, the reform of the current pension system, decentralization, and the freedom of information within 1993, and some of them were successful, thereby paving the way for carrying out reforms. I feel very grateful and I would like to express my gratitude to the people for their understanding and cooperation.

To my regret, I was not able to fully work on the bold reform of the current education system and the reform of the current administration system in order for Japan to prepare itself for a new era. Japan was unable to play an aggressive part in disarmament. For example, Japan was unable to play an aggressive part for promoting the UN registry system for conventional weapons. There is also the Minamata diseases trial which remains a symbolic environmental problem. I had intended to work on them but it is regrettable that I will now be unable to do so.

Over the past eight months, I have driven myself to work on tasks at home and abroad, day and night, without taking a rest. As I said at the outset of this news conference, I have expressed my resolve to quit as prime minister. In this news conference I would like to explain why I resolved to step down as prime minister. The deliberation of the 1994 budget that directly affects the people's livelihood has remained stalled, and this situation is truly worrisome. My personal problem—it does not matter whether it is being used as a tool in a political strife—has become an obstacle to promoting Diet debates. I have to honestly reveal all the facts unearthed so far to the people.

First, I would like to refer to the problem about my loan from the Sagawa Kyubin parcel delivery group. As I explained in documents I submitted to the Diet, I got the loan of 100 million yen from the group, and I certainly repaid it. But the report I received from my office last night revealed that under an agreement reached between my office and the group, the interest on the loan was treated as political donations from companies belonging to the group. The report said these political donations were properly handled in accordance with the Political Funds Control Law, and those which exceeded the limit set by the law were reported in a statement of income and expenses.

Regarding the problem concerning the purchase of NTT [Nippon Telegraph and Telephone] stocks, as I have repeatedly said, my father-in-law bought them on his own and my former secretary Miyama was involved in the investment. I heard that revenues from the sale of the stocks were sent to my father-in-law through my office account. But I think this is not basically a problem. I personally made efforts to help unearth facts about these problems in a bid to dispel suspicion on me. But, in the process of investigating them, it has become clear that there is another problem. There is the problem that for several years since 1981 my office entrusted my personal funds to a person for investment, thereby deriving profits. That person is my old friend. He reportedly asked my office to entrust my personal funds to him for a sound investment. I have learned that such investment activities might have dubious legality. I cannot say more about this matter at the present because the whole affair is still under investigation. Although the affair took place many years ago, and my office was responsible, I have concluded that I should take moral responsibility as a top political leader who always has to be straight himself. To assume political responsibility for the facts which have come to light, and for the stalled Diet business, I have decided to resign as prime minister.

I deeply apologize for resigning at a time when further political stalemate should be avoided so the government can pass the budget bill as early as possible, and tackle many domestic and foreign issues. I earnestly hope my resignation will somehow contribute to restoring the people's trust in politics.

I have decided to resign for the reasons I have just explained. The reforms are only half complete. Although I will be serving in a different capacity, I am determined to continue upholding the torch of reform. I again apologize to the people who have supported reform efforts for my having to resign in such a way. I sincerely ask you to understand my decision.

Answers Reporters' Questions

OW0804111594 Tokyo NHK General Television Network in Japanese 0611 GMT 8 Apr 94

[Question & answer session at Prime Minister Morihiro Hosokawa's news conference at the prime minister's official residence—live]

[Text] [unidentified reporter] As you have said, Japan is in a very critical situation. It seems to me that you felt you could no longer remain in the post of premier because of the issue of ethics. You said that not even a single day of stagnation can be allowed in politics. Under the current situation, your sudden announcement may confuse the political situation and invite further distrust of politics, depending on circumstances. As a leader of Japan, what do you think of your decision to resign? Also, when did you make the decision?

[Hosokawa] You are quite right. As I have said earlier, there are many diplomatic and domestic tasks which need to be settled. Also, deliberations on the budget, which is closely linked to the people's livelihood, has been stalled. Indeed, I have said earlier that not even a moment of stagnation can be allowed in politics. However, I have decided to resign as prime minister. This is a decision made after much careful thought. The moral responsibility of a top political leader is heavier than anything. On that basis, I came to the conclusion that it was necessary to straighten myself up. Based on this decision, I considered various possibilities and came to the conclusion on my own.

[Unidentified reporter] As you were explaining the reasons for making the decision to step down, you said that a new problem had been found. You also said that this was a legal problem. It seems to me that your explanation regarding the decision to resign as prime minister—who is the most responsible planner—while the deliberations on the budget remain paralyzed are not adequate. Can you explain in concrete terms what you were trying to say?

[Hosokawa] As I said earlier, we are seeking to find out the truth. I want to reveal the details of the problem after the investigations are finished. I explained earlier that such a doubt came out.

I forgot about answering the question asked earlier. I was asked when I decided to resign. The details I revealed were reported to me by my office late last night. I made the decision late last night.

[Unidentified reporter] Your resignation will certainly create some sort of vacuum on the political scene, and your resignation over the scandal will seriously damage the public's confidence in political circles since your administration was inaugurated to carry out political reform. I would like to have your comment on that point. Also, could you explain your standpoint as a party head, or an individual politician, on the future direction of a political party realignment?

[Hosokawa] Concerning the first question, I think the most important point is that a person should sincerely reflect on his or her own problems and correct them if necessary. So I decided to candidly acknowledge the presence of such problems, and to make them public. I believe my decision will be somehow helpful for easing public distrust of politics. To win back the public's confidence in politics, I think my decision was much better than covering up the fact. That is why I took this action, and I have stressed this is a bed-rock principle of my party. I wanted to match my actions with my words. With respect to future realignment of political parties, I cannot say too much about that issue right now because I still have responsibility as prime minister.

[Unidentified reporter] The Hosokawa administration was inaugurated eight months ago amid the great expectations of the public. How do you evaluate the eight-month rule of the Hosokawa administration?

[Hosokawa] I have fully referred to that in my statement. As a reform-oriented administration, my cabinet has been fully grappling with internal and external problems which have been pending for decades. Fortunately, we have reached some noteworthy achievements owing to public support. While these are still incomplete, we have at least gained some clue to settling long-pending issues. I personally have a sense of satisfaction right now, and I suppose both the Japanese public and the international community would give me a certain level of credit for my work.

[Unidentified reporter] Could you describe the schedule for your formal resignation? And, could you explain your opinion on the qualifications of the next prime minister to replace you?

[Hosokawa] Regarding the future political schedule, I have responsibility to pass the budget bill, and I would like to consult with the ruling and opposition parties on this matter. Concerning favorable characteristics of my successor, I think it is inappropriate for me to comment on that.

[Unidentified reporter] Before you made the decision, did you consult with some politicians, friends, or your family?

[Hosokawa] I talked with my wife last night.

[Unidentified reporter] Do you think that basically the framework of the current coalition government should not be changed even after your resignation, or do you think you do not mind even if the framework of the coalition government is changed as part of the regrouping of political parties—in other words, do you think it is possible to reorganize the framework of the coalition government on condition that the new government take over the tasks the Hosokawa government has left?

[Hosokawa] I think it desirable that the new prime minister take over the tasks my government has set. But I do not think I should comment on this.

[Unidentified reporter] My question relates to the question you have just answered. Your government is the first non-Liberal Democratic Party government in 38 years. You have managed the government for eight months. Are you confident in saying that coalition is the desirable way to form a government?

[Hosokawa] It is a very difficult question. I think it has both good and bad aspects.

[Unidentified reporter] A while ago you said it is your responsibility to have the budget bill passed. Do you mean you intend to remain in your current position until the bill is adopted?

[Hosokawa] I think it depends on when and how the succeeding prime minister will be chosen.

[Unidentified reporter] Would you please state your present.... [interrupted by another reporter]

[Unidentified reporter] I think the people are very interested in knowing the main reason for your resignation. Would you please explain a little bit more about the newly surfaced problem?

[Hosokawa] It is just as I explained to you a little while ago. Investigations are underway now to throw light on the problem. I want to swiftly reveal the details of the problem upon completion of investigations.

[Unidentified reporter] Would you please state your present state of mind?

[Hosokawa] I commented on my state of mind a little while ago. Basically, my government has attained its goals to a certain extent, but I am personally dissatisfied with what the government has achieved. I deeply regret that in the current situation, where we face a lot of problems both at home and abroad, I have failed to fully meet the people's expectations. I apologize to the people because, at this juncture wherein there are a host of domestic and foreign important issues, I had to decide on resignation in this way.

[Unidentified reporter] Mr. Prime Minister, when do you intend to dissolve the cabinet?

[Hosokawa] I have no idea at all.

[Unidentified Reporter] How about the timing of choosing your successor?

[Hosokawa] I have no idea. It is completely beyond my scope.

[Unidentified reporter] When do you think it is desirable?

[Hosokawa] As soon as possible.

[Unidentified reporter] Mr. Prime Minister, [word indistinct] are you thinking of accepting the opposition parties' call for summoning to the Diet those concerned with your pecuniary relations with Tokyo Sagawa Kyubin Co?

[Hosokawa] I have already stated my position on this matter.

[Unidentified reporter] Mr. Prime Minister, when you assumed the office of prime minister, you said it is necessary to join forces in politics mindful of the people. Do you think you have achieved this goal and satisfactorily answered the people's expectations?

[Hosokawa] I think there are various ways to interpret the phrase "politics mindful of the people." I, with the mandate of the people, am confident that I have directly tackled and fulfilled my task of carrying out responsible reform without hesitation.

[Unidentified reporter] Mr. Prime Minister, I want to ask about choosing your successor. How do you think the framework of the succeeding cabinet should be, and is there any possibility of tying up with the LDP to cope with internal and external problems?

[Hosokawa] I cannot make a prediction. I have no idea.

[Unidentified reporter] Please answer this question as head of the Japan New Party [JNP]. Is there any possibility that the JNP will join the opposition camp depending on the line-up of a succeeding cabinet, or will the JNP still remain with the ruling parties to fulfill its duty?

[Hosokawa] Of course, it depends on who will be the next prime minister, but I think our party members have a strong desire to continue to come to grips with domestic and foreign problems as members of the ruling parties.

[Unidentified reporter] Who is investigating the newly surfaced problem of 1981?

[Hosokawa] My office is conducting the investigations.

[Unidentified reporter] How about you, Mr. Prime Minister?

[Hosokawa] Of course, I have been informed of the details. However, there are minute details, and each item is being checked one by one.

[Unidentified reporter] When do you think most of the facts will be revealed?

[Hosokawa] I do not know. I hope they will be revealed as early as possible.

[Unidentified reporter] Do you plan to continue your political activities as the head of the Japan New Party after you resign as prime minister?

[Hosokawa] Yes, I do.

[Unidentified reporter] [passage indistinct].

[Hosokawa] What did you say is in a delicate situation?

[Unidentified reporter] The economy.

[Hosokawa] Oh, the economy. Of course, there are signs of economic recovery but the most important thing is for the government to implement its pump-priming packages in such a way that they will steadily yield the desired results so the economy will be put on track toward full recovery. Needless to say, it is also an important task for the government to have the fiscal 1994 budget bill passed as early as possible. Until the next prime minister is elected, we will do our utmost to fulfill this task. I am sure the next prime minister will make his own efforts toward this.

[Unidentified reporter] Will your resignation affect [words indistinct]?

[Hosokawa] I can hardly say my resignation will not affect them at all. But basically, they are moving in a favorable direction. I am confident that the current political difficulties will soon be resolved. You do not have to worry about them.

[Unidentified reporter] Mr. Prime Minister, you have said you plan to continue your political activities as JNP head after your resignation but you reportedly plan to form a new party together with Shinseito [Japan Renewal Party] and Komeito [Clean Government Party]. Will you promote this plan after your resignation?

[Hosokawa] I want to refrain from making comments on this matter.

[Unidentified reporter] You expressed regret that you have to resign in this manner, before fulfilling your duties. But I cannot dispel a concern that your resignation might affect efforts for three reforms, including economic and administrative reforms. I wonder if you have to [words indistinct]. Do you attach importance to realizing these reforms in selecting the next prime minister?

[Hosokawa] I think I should not say anything about the selection of my successor. As I said earlier, We are still uncertain when we can achieve economic and administrative reforms, but we have clearly indicated measures to achieve them. What the government should do next is to steadily implement them. When the Hosokawa government was inaugurated last August, it planned to compile bills on decentralization of political power and on public information disclosure before the end of the year, and to submit them to an ordinary Diet session. This plan has not changed.

[Unidentified reporter] You earlier explained about your 100-million-yen loan. Did you say that you have not paid the interest on the loan? You also said investment activities are legally questionable. Which law are you talking about? Is it the law that deals with tax and tax evasion?

[Hosokawa] As I said earlier, I cannot tell more because the whole affair is still under investigation. I said such investment activities might have dubious legality. I will clarify everything when all the facts are unearthed.

[Unidentified reporter] Mr. Prime Minister.

[Unidentified dean of press corps] Your question will be the last.

[Unidentified reporter] Just as you set a time limit for the enactment of political reform bills, I hope you will set a deadline for disclosing the facts, rather than saying you will clarify things as early as possible. If all of them are not revealed by the deadline, you can disclose the facts unearthed by that time.

[Hosokawa] I cannot decide on a deadline by myself because I have to hear others' opinions. We have worked hard to discover the facts, and as a result we learned new details yesterday. Although we intend to make further efforts, we cannot tell when all the facts will be revealed.

[Dean of press corps] We will accept one more question.

[Unidentified reporter] Mr. Prime Minister, countries such as the United States and South Korea put their expectations on you because you are young. You said you will continue political activities as JNP head. Do you have a desire to take the premiership again if you have such an opportunity in the future?

[Hosokawa] I am not thinking of this at all.

[Dean of press corps] We now conclude the news conference.

Urges New Parliamentary Group

OW0804122494 Tokyo KYODO in English 1154 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—Prime Minister Morihiro Hosokawa renewed his call on Friday to create a new large parliamentary group of various political parties within the House of Representatives with his Japan New Party serving as its core.

Hosokawa made the appeal at a plenary session of his party's 38 legislators a few hours after announcing his decision to give up the premiership, JNP legislators said.

"We have to assemble people with the ideal of reform while making our party the core of the new group," Hosokawa said.

The premier proposed naming the new group "Reform."

The JNP legislators agreed to give Hosokawa a mandate to decide how to proceed with the project to form the new parliamentary group.

The idea had earlier come under a barrage of criticism from the new party Sakigake (Harbinger) and the Social Democratic Party, which charged that such a proposal, if realized, would lead to the formation of a new large party amalgamating the JNP, Shinseito and Komeito.

The premier's renewal of the call may add fuel to a simmering intracoalition rivalry between the Sakigake-SDP camp and the JNP- Shinseito-Komeito camp at a time when the coalition is moving to pick a successor to Hosokawa, political analysts said.

Hosokawa also told the plenary session he had decided to dissolve the current JNP-Sakigake parliamentary group, the legislators said.

Meanwhile, JNP executives said the party had decided to report the formation of the new parliamentary group "Reform" to the Secretariat of the lower chamber.

In addition to the 38 JNP legislators, two United Social Democratic Party legislators had decided to join the new group, they added.

Reaction to Hosokawa Resignation Reported

Effect on Diplomacy Viewed

OW0804131694 Tokyo KYODO in English 1253 GMT 8 Apr 94

[By Miu Oikawa Dieter]

[Text] Tokyo, April 8 KYODO—The abrupt announcement on Friday of Prime Minister Morihiro Hosokawa's intention to resign is likely to deal a severe blow to Japanese diplomacy as it comes at an important time on the international front. Hosokawa's announcement comes as Japan is seeking ways to resume the failed trade "framework" negotiations with the United States and as tensions run high on the Korean peninsula over North Korea's alleged development of nuclear weapons.

"It would, of course, have an effect on diplomacy," a senior Foreign Ministry official said of the resignation decision. "But all we can do is go ahead with diplomacy calmly. For the time being, we will watch developments on the political scene."

Foreign Minister Tsutomu Hata was more blunt, saying the latest development would have a detrimental effect on Japan's relationship with the world. "Japan has become a country which can have some influence on various other countries," Hata told a press conference Friday evening, and expressed concern that the world would be anxious about the future course of Japanese politics.

Hosokawa's resignation announcement sparked concern among Japanese diplomatic officials, especially with regard to Japan's relations with the U.S. since ties have soured following the collapse of trade negotiations at a meeting between Hosokawa and U.S. President Bill Clinton in February in Washington.

"We will pay close attention to how the U.S. Government reacts" to Hosokawa's resignation, a senior ministry official said.

The U.S. Government was said to have great expectations of the government, which emerged last August after nearly four decades of rule by the Liberal Democratic Party. Washington highly regarded the Hosokawa government as a promoter of political and economic reforms and Hosokawa himself had a trusting personal relationship with Clinton based on common experience and policy goals, according to ministry officials.

Although Hosokawa told a press conference he wants to support reform even after stepping down, there is no guarantee the U.S. will be satisfied with the efforts of Hosokawa's successor.

The officials saw next week's signing ceremony for a global trade accord under the General Agreement on Tariffs and Trade (GATT) in Marrakech, Morocco, as a crucial opportunity to seek a breakthrough in resuming trade talks with Washington. Hata was expected to go to Marrakech and hold talks with U.S. Trade Representative Mickey Kantor, but it is not yet clear whether he will go as scheduled as he is touted to be Hosokawa's successor.

Japan wants stable and firm relations with the U.S., particularly at present, given the suspicion that North Korea is developing nuclear weapons. North Korea has repeatedly said it wants to hold dialogue only with the U.S. and has refused to hold talks with Japan.

Although Hata said there will be no problem in coping with the issue even if the government changes, as Japanese administrations are consistent in continuing policies, cooperation among Japan, the U.S., South Korea and China is crucial to solving the problem.

Upcoming diplomatic events also included Hosokawa's planned trip to Europe in early May to meet the European leaders of the Group of Seven (G-7) economic powers. The ministry officials considered the trip essential to getting to know the leaders ahead of the G-7 summit meeting in July in Naples, Italy.

Hata was also scheduled to visit Middle East countries from late April to early May.

As for visitors to Japan from abroad, Deputy Foreign Ministry Spokesman Kishichiro Amae said the upcoming visit by Egyptian President Husni Mubarak will go ahead as scheduled since it has already obtained cabinet approval.

Trade Relations With U.S. Viewed

OW0804114694 Tokyo KYODO in English 1121 GMT 8 Apr 94

[By Jocelyn Ford]

[Text] Tokyo, April 8 KYODO—Prime Minister Morihiro Hosokawa's resignation announcement Friday may keep Japan-U.S. relations in the deep freeze just as a thaw seemed to be in the offing, political analysts said.

But some analysts said bilateral relations could take a new twist in the not too distant future, depending on who replaces Hosokawa.

Hosokawa's resignation announcement amid allegations of financial misdeeds came a week before Foreign Minister Tsutomu Hata was expected to call for early resumption of the stalled trade talks in a meeting with U.S. Trade Representative Mickey Kantor.

The two were scheduled to meet at a multilateral ministerial meeting of the General Agreement on Tariffs and Trade in Marrakesh, Morocco.

But Hata's name has emerged as a likely successor to Hosokawa.

"Everything will have to wait until after the formation of a new cabinet. We will have to make another fresh effort to explore ways to resume trade talks," said an official involved in Japan-U.S. trade relations.

While Japan is unlikely to change its support for a free world trading system or rethink its rejection of U.S. demands to introduce numerical indicators to guide trade, the next leader could take a different approach, the official said.

If leadership reverts to a more experienced politician, the old- style power structures could come back into play, namely collusive deal-making among politicians, bureaucrats and business that Hosokawa vowed to break, he said.

While this could make it easier for the United States to pressure Japan into delivering on demands, it could also slow down Hosokawa's efforts to free business from heavy-handed government controls—a move also applauded by Washington.

The U.S. has been fumbling in its relations with Japan in part because it could not grasp the power structure of Hosokawa's seven- party coalition government, the first non-Liberal Democratic Party (LDP) government to rule in 38 years, claimed Ikuo Kabashima, professor of Political Science at Tsukuba University.

If Hata, a close associate of Ichiro Ozawa, the key behind-the- scenes player in the coalition government, emerges as next prime minister, "the U.S. can feel comfortable because it knows it can deal with him," said Kabashima.

That has some bureaucrats worried.

Although Hosokawa and President Bill Clinton failed in February to come up with an agreement on contentious trade issues, some Japanese diplomats regard the breakdown in trade talks as an opportunity to establish a new style of working relationship.

"Ozawa likes the traditional type of management where he resolves friction by pressuring interest groups, and he is not the type of person who really pushes for market principles," said the government official who spoke on condition of anonymity.

"If we go back to the traditional way it would not be instrumental in making a new partnership," he said.

But other sources here are confident that no new leader can reverse the legacy Hosokawa established during his brief eight-month stay in office.

Hosokawa, a former governor who rocketed to power last summer after the LDP lost its majority in the House of Representatives, leaves office with support ratings hovering around 50 percent.

While this is down over 20 percentage points from his early ratings, Hosokawa remains more popular than many of his LDP predecessors who were at the height of their careers.

Merle Okawara, vice president of the American Chamber of Commerce in Japan, lauded Hosokawa for ushering in many reforms that more experienced LDP prime ministers had failed to achieve.

"At least he got the machinery going in the right direction, which is good for U.S. businesses in Japan," she said, noting he partially liberalized the rice market, achieved political reform and was making headway on tax reforms.

Political reform had unseated Hosokawa's two immediate predecessors—Kiichi Miyazawa and Toshiki Kaifu, both of the LDP.

Hosokawa said he was resigning because the budget was blocked in parliament by the opposition LDP, which demanded he respond to allegations over questionable handling of stock and real estate deals, not because the people wanted him to resign, said Okawara.

"The machinery is in place and whoever follows him will have to continue because otherwise he will be very unpopular," she said.

'Major' U.S. Ties Change Unlikely

OW0804105994 Tokyo KYODO in English 1046 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—The resignation of Japanese Prime Minister Morihiro Hosokawa is unlikely to lead to a major change in Tokyo's economic ties with the United States, a senior trade ministry official said Friday.

However, Hosokawa's surprise announcement may set back the resumption of the stalled trade "framework" talks between Tokyo and Washington, said the official at the Ministry of International Trade and Industry, who declined to be named.

But he quickly added the fundamentals of the accord reached between the previous Japanese administration of Kiichi Miyazawa and U.S. President Bill Clinton last July to establish a new framework are still valid.

Hosokawa took over Miyazawa's trade policy toward the U.S. that rules out the use of numerical targets to measure the results of Japan's efforts to boost imports and the next prime minister is likely also to respect the policy, the MITI official said.

Although optimistic about the fundamental framework of Japan's economic ties with the U.S., the official confirmed that prospects for an early breakthrough in the bilateral trade talks have become clouded following the latest political developments surrounding Hosokawa.

Japan regarded the planned meeting between Foreign Minister Tsutomu Hata and U.S. Trade Representative Mickey Kantor in Marrakesh, Morocco, on April 15 as "the best opportunity" to open the way for resumption of the framework talks, the official said.

"But the situation is now completely fluid," the official said, noting it is "impossible to foresee developments still to unfold," including even whether or not Hata will go to Morocco.

Hata, the leader of Shinseito [Japan Renewal Party], a major coalition member, has been tipped as a candidate to succeed Hosokawa.

The premier's resignation also casts a shadow over Japan's pledge to announce concrete market-opening measures by the end of June or before the July summit of the seven major industrialized countries in Naples, the MITI official said.

It is too early to say whether a schedule change regarding the June market-opening package is necessary, but any prime minister replacing Hosokawa should have "a stronger power base" in order to get the framework talks rolling again, the official said.

The official said Hosokawa's successor would not likely "reverse the trend of deregulations" established by the Hosokawa administration.

Hata-Kantor Meeting 'Uncertain'

OW0804084394 Tokyo KYODO in English 0831 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—Japan's trade minister on Friday [8 April] stressed the urgent need to create a new political framework to prevent a further stall in Japan-U.S. trade talks.

International Trade and Industry Minister Hiroshi Kumagai called an emergency press conference after Prime Minister Morihiro Hosokawa offered his resignation earlier in the day.

"The situation surrounding Japan-U.S. ties requires urgent action," Kumagai said. "There is not much time left before June."

Japan pledged to show concrete market-opening plans in June or before the leaders of the world's seven major economies gather in Naples in July for their annual summit meeting.

Kumagai said he understands Hosokawa's resignation offer, saying the prime minister must have reached the decision as a way to take responsibility for his financial dealings which have paralyzed Diet discussion of the fiscal 1994 budget.

Hosokawa's coalition government was formed with top priority on establishing high ethical standards for politicians, Kumagai said.

The trade minister said the Hosokawa administration has broken through many difficult problems its predecessor, the Liberal Democratic Party, was unable to handle, Kumagai said, citing political and administrative reforms, rice market opening, deregulations and tax reforms.

What Hosokawa achieved is worthy of being remembered in an historical context, Kumagai said.

Kumagai severely criticized the LDP for boycotting debate over this year's budget. "The LDP is committing a suicidal act that denies the fundamental function of the parliament," he said.

Kumagai said he is uncertain whether the planned meeting between Foreign Minister Tsutomu Hata and U.S. Trade Representative Mickey Kantor in Morocco on April 15 will take place as scheduled.

The meeting was intended to seek a breakthrough in the stalled trade "framework" talks between Tokyo and Washington.

"Paving the way for resumption of the framework talks is something that should be taken care of by our cabinet but I don't know what will happen," Kumagai said.

Hata, the leader of Shinseito [Japan Renewal Party], a major coalition party, is tipped as a candidate to succeed Hosokawa.

Concerning a government to succeed the Hosokawa administration, Kumagai said it should be formed after parties concerned agree at least on the controversial tax issue.

The current ruling coalition parties were sharply divided over how to finance tax cuts. This created political confusion earlier in the day that delayed formulation of the fiscal 1994 budget.

MITI Official on U.S. Trade Talks

OW0804062394 Tokyo KYODO in English 0617 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—Japan-U.S. trade talks will remain deadlocked due to Prime Minister Morihiro Hosokawa's announcement that he intends to resign, a high-ranking official of the Ministry of International Trade and Industry said Friday [8 April].

"Though the bilateral trade framework talks are likely to resume between Foreign Minister Tsutomu Hata and U.S. Trade Representative Mickey Kantor next week, the development will be unclear," said the official.

Hata is expected to meet Kantor in Marrakech, Morroco, next week at the signing ceremony for the global trade pact concluded in the Uruguay Round last December under the General Agreement on Tariffs and Trade.

"I had believed Hosokawa may announce his intention to step down around weekend but today's sudden announcement is a betrayal against expectation of most Japanese," the official who asked not to be identified.

Coalition Parties Discuss Response

OW0804153294 Tokyo KYODO in English 1435 GMT 8 Apr 94

[Excerpt] Tokyo, April 8 KYODO—Embattled Prime Minister Morihiro Hosokawa made a surprise announcement Friday [8 April] of his intention to resign because of controversy over personal financial deals and the resultant parliamentary paralysis crippling his eight-month-old administration.

Hosokawa's bombshell announcement prompted the seven coalition parties to scramble to the task of picking his successor.

Although Shinseito [Japan Renewal Party] and Komeito [Clean Government Party], key parties in the coalition, voiced support for Deputy Prime Minister and Foreign Minister Tsutomu Hata who leads Shinseito, the Social Democratic Party (SDP) and Democratic Socialist Party (DSP) expressed disaffection with the proposal.

The 56-year-old Hosokawa told a hurriedly-arranged news conference he had decided to give up the office of prime minister to take "moral and political responsibility" for a fresh financial scandal and the current stalemate of the Diet.

"A new problem has come to light. New suspicions emerged that my political office entrusted a certain person with managing my personal financial means, raking in profits for a few years since 1981," the premier said.

"The suspicion is that his management may have involved some illegalities, although the person, who is my old friend, asked for permission to manage my personal money, saying it would definitely be invested in a profitable manner," he said.

He said the new revelation came on top of controversy about 100 million yen that Hosokawa described as a loan from a trucking company already at the center of a money-and-mob scandal.

The opposition camp held up Diet debate on the fiscal 1994 fiscal budget, saying Hosokawa should first agree to the opposition demand to have his financial aide Masatoshi Miyama testify as a witness to clear up suspicions on the allegedly questionable finances.

Hosokawa officially offered his resignation at an emergency cabinet meeting after making a surprise announcement to a hastily summoned meeting of leaders of the coalition partners.

In a second get-together of the coalition leaders later in the day, Komeito Secretary General Yuichi Ichikawa insisted that the coalition parties first narrow the differences in their defense and diplomatic policies before making a decision on whether to maintain the current combination of parties.

Shinseito Secretary General Ichiro Ozawa, a behind-the-scene strategist, Japan New Party leader Masuo Matsuoka and DSP Secretary General Takashi Yonezawa threw their weight behind the Komeito proposal, while the Socialists vehemently opposed it.

The coalition leaders only agreed to resume discussion Saturday afternoon, coalition officials said.

Political analysts pointed to the possibility that the coalition might try to form a new coalition by integrating some legislators from the opposition Liberal Democratic Party [LDP] even at the risk of alienating the SDP.

However, the LDP quickly vowed to block any attempts by the coalition to win over its legislators and instead to establish a new coalition government led by itself. [passage omitted]

LDP Vows To Create Own Government

OW0804130694 Tokyo KYODO in English 1252 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—The No. 1 opposition Liberal Democratic Party vowed Friday [8 April] to topple the current ruling coalition of Prime Minister Horihiro Hosokawa and establish a new coalition government led by itself.

"The Liberal Democratic Party is determined, as a responsible party, to act with unity and solidarity to establish a government that can meet public expectations," LDP President Yohei Kono said in a prepared statement.

"Japan now faces a mountain of problems that cannot be solved by the current ruling coalition consisting of political parties with conflicting policies," Kono said.

He made the remarks following emergency meetings of the LDP's top five executives and then of former prime ministers at the very moment when coalition partners were moving to pick a successor to Hosokawa from among their ranks.

In a related development, Kono quickly persuaded former Deputy Prime Minister Michio Watanabe not to take any action that might trigger an intraparty schism, LDP officials said.

Instead, the two agreed to act in solidarity to deal with developments in the political community following the imminent demise of the Hosokawa administration, they said.

Watanabe, a former foreign minister, has been deemed one of the most promising candidates to succeed

Hosokawa if he would break with the LDP and opt to form an alliance with the ruling parties.

Minutes after Hosokawa expressed his intention to step down, Watanabe, chief of the LDP's second-largest faction, suggested he is ready to form an alliance with the ruling coalition.

"Japan is in a crisis," he said. "We should join forces with people that have the same ideas to surmount the crisis."

However, former Prime Minister Yasuhiro Nakasone moved quickly to block a possible second breakup of the LDP, which suffered defections by dozens of legislators last June.

"Do not take action at this moment," Nakasone was quoted by party officials as telling Watanabe. "Adopt a wait-and-see attitude with steadfast confidence."

Meanwhile, the LDP's top five executives decided to create a new administration free from payoff scandals if the LDP once again sweeps to power, the officials said.

The LDP was stripped of its 38-year lock on power last summer amid public outrage over a string of bribery scandals, one of which seemed to demonstrate the party executives' link with gangsters.

The executives also decided not to allow the ruling coalition to pick a new premier from among their own ranks, while closely monitoring moves to be taken by the ruling parties, they said.

Hata on Trip to Morocco Prospect

OW0804094294 Tokyo KYODO in English 0912 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—Foreign Minister Tsutomu Hata brushed aside suggestions Friday [8 April] that he become the next prime minister in the wake of Prime Minister Morihiro Hosokawa's announcement that he will resign.

Hata, who concurrently serves as the deputy prime minister, told a hastily arranged press conference at the Foreign Ministry that he considers it important to play the role of making adjustments within the coalition government rather than becoming the next prime minister.

Hata also indicated he may go ahead with his planned trip to Marrakech, Morocco, next week to attend the signing ceremony of a global trade accord under the General Agreement on Tariffs and Trade (GATT).

Since Hosokawa instructed cabinet ministers to fulfill their duties until the end, his scheduled trip to Marrakesh has not been totally scrapped, Hata said.

As for Hosokawa's successor, Hata said he wants the person to be someone who has the "same ambition to further promote reforms" and who wants to create a more stable government.

Turning to the possible effects the latest development would give to international affairs, Hata said it would give negative influence not only on Japan-U.S. relations, which has been sour over trade disputes, but on the rest of the world.

He said it would give the world anxiety concerning Japanese politics so that it is important to stabilize the government as early as possible.

He also said Japan should explain about the course of Japanese politics at the Marrakech meeting.

"Japan has become a country which could influence various countries," Hata said. "So there should not be a delay in politics not even for a day."

Hata, who was expected to meet U.S. Trade Representative Mickey Kantor in Marrakech, Morocco, said he thinks it possible to hold "frank" discussions with Kantor since Japan's determination to promote free trade and to make efforts to make a more open market remains unchanged no matter how the domestic political situation is.

"There aren't many options concerning what Japan can do," he said.

The foreign minister also indicated there will be no problem in dealing with the problems involving North Korea's alleged development of nuclear weapons because the Japanese administration has the consistency and continuity of policies.

Hata, also the leader of Shinseito [Japan Renewal Party] which broke away from the Liberal Democratic Party, said he told an extraordinary cabinet meeting that he wants Hosokawa to stick to the post.

But Hata said he cannot dissuade Hosokawa because he has already officially announced his intention to step down.

He described Friday's development as one of the "aftershocks" from a major "diastrophism" last June, when Shinseito split from the LDP, which led to the birth of the coalition government, indicating that it may be a chance toward a major reorganization of the political world.

He reiterated the need to create two stable political forces, saying the coalition government of seven parties had difficulty in making a single decision.

LDP President Kono Comments

OW0804063994 Tokyo KYODO in English 0633 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—Opposition leader Yohei Kono said Friday [8 April] that Prime Minister Morihiro Hosokawa is resigning because of his responsibility for the monthlong stalemate in the Diet's budget business.

"Diet business has been at a total halt, for which his responsibility is considerable. It apparently led to his intention to resign," said Kono, president of the Liberal Democratic Party (LDP).

Kono did not say whether the LDP will now aim to take over power. The LDP surrendered its 38-year grip on power to the seven-party coalition led by Hosokawa in August last year.

"I am now anxious about the life of the people," Kono said, adding that the LDP wants to deal with the situation responsibly.

Following Hosokawa's remarks that he intends to resign, Kono called senior LDP officials for a meeting at the LDP headquarters in Tokyo.

Fiscal 1994 budget bills were submitted to the Diet in early March, but the Diet has not been able to begin deliberations for over a month because of wrangling between the ruling coalition and the opposition camp over Hosokawa's alleged shady fund-raising.

Hosokawa rejected the demand by the LDP to summon as a witness his former aide, who was in charge of Hosokawa's finances when he borrowed 100 million yen from Sagawa Kyubin, a scandal-tainted trucking business group.

Top LDP officials refused to take part in the budget committee debate unless the seven-party coalition promised to bring the witness before the Diet.

Sadatoshi Ozato, the LDP's Diet Affairs Committee chairman, called Hosokawa's resignation an "ultimate decision."

"His resignation has been expected, but it is too early," Ozato said.

LDP Secretary General Yoshiro Mori canceled his scheduled trip to Kyoto aimed at supporting an LDP-backed candidate for the Kyoto gubernatorial election.

Mori said Hosokawa will resign because he could not answer the allegations over his funds.

Earlier in the day, Hosokawa suddenly summoned the leaders of the coalition partners to his official residence and told them he intends to resign.

Hosokawa said he bears responsibility for the row between the ruling coalition and the opposition camp over his loans from Sagawa Kyubin.

Business Community Said Surprised

OW0804130494 Tokyo KYODO in English 1212 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—Prime Minister Morihiro Hosokawa's abrupt decision to resign took the business community by surprise Friday [8 April], drawing words of regret from many business leaders while raising worries of a political vacuum.

"It's very regrettable because he has set a new current in politics," said Yoichi Morishita, president of Matsushita Electric Industrial Co.

Many executives gave high marks to Hosokawa's political achievements since he took office eight months ago.

"He set out to relax regulations in order to promote administrative reform," said Toshiomi Uragami, chairman of the Life Insurance Association of Japan.

"I believe many people are disappointed because there were high expectations of fiscal and administrative reforms from now on," said Kenji Maeda, chairman of the Japan Federation of Construction Contractors.

But Tadahiro Sekimoto, president of NEC Corp., criticized Hosokawa for evading responsibility for bringing the economy back to health.

"It's not a responsible act to resign now that there is the need to secure economic recovery," Sekimoto said.

Many business leaders voiced concern about a political vacuum that could dampen a budding economic recovery and appealed for early Diet passage of the fiscal 1994 budget and an early setup of a new cabinet.

"We hope a new government will be established quickly," said Hiroshi Saito, chairman of the Japan Iron and Steel Federation.

Hosokawa offered to resign earlier in the day to take responsibility for a Diet stalemate in the wake of allegations of corruption over his loan from a scandal-ridden parcel delivery company.

None of the business people commenting on the resignation called for pursuing the corruption allegations.

Business Leaders Express Concern

OW0304114094 Tokyo KYODO in English 1106 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—Business leaders expressed concern Friday [8 April] over the effects of Prime Minister Morihiro Hosokawa's decision to step down on the domestic economy and Japan-U.S. relations.

Hosokawa's abrupt decision, announced Friday, sent a shock wave through the business community as it came at a time when the Japanese economy showed signs of recovery.

Takeshi Nagano, president of the Japan Federation of Employers Associations (Nikkeiren), expressed serious concern that Hosokawa's decision may cause adverse effects on the domestic economy.

He expressed hope that a new government will be installed as soon as possible to prevent a further delay in the enactment of the fiscal 1994 budget.

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, stressed the need for Japan to maintain political stability at a time when Japan-U.S. economic relations have entered a delicate stage.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), appreciated the Hosokawa administration for its achievements in a short period, such as political reforms and the decision to open Japan's rice market.

Masaru Hayami, president of the Japan Association of Corporate Executives (Keizai Doyukai), said he will continue to seek political reforms by the next administration.

Osamu Uno, head of the Kansai Economic Federation, urged the ruling coalition to form a new government as soon as possible.

Hosokawa's Alleged Financial Dealings

OW0804164194 Tokyo XYODO in English 1622 GMT 8 Apr 94

[Text] Tokyo, April 9 KYODO—The "new suspicions" that prompted Prime Minister Morihiro Hosokawa to announce his decision to resign concern "shady loans" made using 60 million yen of Hosokawa's own personal funds, informed sources said Friday [8 April].

The allegedly illegal loans were made by a person close to the late Prime Minister Kakuei Tanaka to whom Hosokawa lent the 60 million yen, the sources said.

The person in turn lent the money from Hosokawa to other people in a manner that may have violated a law governing the legal qualifications for making such loans, they told Kyodo News Service.

"There is the likelihood that the Hosokawa side entrusted the 60 million yen to a person well versed in financial asset management who was close to former Prime Minister Kakuei Tanaka and then the person made the shady loans using the money," a source said.

Hosokawa told a news conference Friday at which he made a bombshell announcement of his intention to resign, "A new problem has come to light. New suspicions have emerged that my political office entrusted a certain person with managing my personal financial means, raking in profits for a few years since 1981."

"The suspicion is that his management may have involved some illegalities, although the person, who is my old friend, asked for permission to manage my personal money, saying it would definitely be invested in a profitable manner," he said.

However, he declined to elaborate further on the specifics of the new suspicions, saying the investigation by his political office was still under way.

The sources said Hosokawa and two of his relatives obtained "some 400 million yen" from the 1982 sale of the Tekigaiso estate of the wife of Hosokawa's grandfather, former Prime Minister Fumimaro Konoe.

Hosokawa and the two relatives, including his younger brother, Tadateru Konoe, decided to sell part of the Konoe estate in March 1982 after the three inherited the estate following the death of their grandmother Chiyoko Konoe in September 1980, they said.

Hosokawa received some 202 million yen as his portion of the 400 million yen sale, the sources said.

After paying inheritance taxes, Hosokawa received 186 million yen and placed it in a personal savings account.

Hosokawa then lent 64 million yen out of the money to one of his political funds-raising organizations, while setting aside the remaining 100 million yen as reserve funds from which he planned to pay the income tax on the profits from the land sale, they said.

However, Hosokawa spent 77 million yen out of the 100 million yen to purchase a condominium in Tokyo's Moto-azabu [district] in July 1982, they said.

After Hosokawa received 100 million yen from the Sagawa Kyubin trucking group firm in late 1982, he made up the 77 million yen in order to return his tax payment reserve fund to the original 100 million yen level, they said.

In March 1983, Hosokawa paid some 40 million yen in income taxes on the sale of the estate and turned the remaining 60 million yen over to the person close to Tanaka in order to profit from the person's asset management, the sources said.

"I think Prime Minister Hosokawa developed anxieties that the financial management of his personal funds by this person might have violated the law regarding the qualifications of persons allowed to lend money to others," one of the sources said.

In 1982, Hosokawa was a member of the Tanaka faction in the House of Councillors. The following year, with Tanaka's backing, Hosokawa ran a successful campaign to become governor in Kumamoto Prefecture.

Reportage, Commentary on Possible Successor

Coaltion Parties Debate on Issue

OW0804122094 Tokyo KYODO in English 1207 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—The governing coalition parties kicked off debate Friday on a possible successor to outgoing Prime Minister Morihiro Hosokawa.

"The timing of the mass resignation of the Hosokawa cabinet will be set after our candidate to replace him is decided and elected as premier at the House of Representatives plenary session," Wataru Kubo, secretary general of the Social Democratic Party (SDP), told a news conference.

The No. 2 man of the largest coalition contingent also revealed that the ruling coalition leaders decided at a Friday evening meeting to further coordinate their basic policies before launching a new government.

While basically agreeing to form a fresh government under the framework of the current coalition, the coalition leaders also agreed on the need to narrow down differences over their basic policies in order to push for new reforms, Kubo said.

"Now that we are entering a second phase of the coalition government, it is necessary for us to reach a fresh accord on our basic policies," he said.

Inaugurated last August as a "political reform administration," the Hosokawa government almost succeeded in seeing through political reform aimed at weeding out rampant political corruption in Japan.

Hosokawa, who heads a seven-party coalition government, announced earlier Friday he will step down in taking political and moral responsibility for his allegedly shady finacial dealings.

The 56-year-old premier, a scion of a distinguished Samurai family in southwestern Japan, swept into power as a standard bearer of various reforms, including reform intended to transform the scandal-prone Japanese political system.

The leaders of the ruling parties will resume talks on the selection of a candidate for the premiership on Saturday afternoon, Kubo said.

Kubo spoke of the need for the coalition to choose a successor to Hosokawa and form a new government as quickly as possible so as to win Diet approval for the budget for fiscal 1994, which started April 1.

It is widely believed among coalition members that Deputy Prime Minister and Foreign Minister Tsutomu Hata is the best candidate to succeed Hosokawa.

But some are cautious about the idea of Hata becoming the next premier, because he is the leader of Shinseito (Japan Renewal Party), a major component of the coalition.

Shinseito, along with Komeito, has been criticized within the coalition for its allegedly forceful manner in the policy-making process.

Kubo said SDP Chairman Tomiichi Murayama is also a potential candidate to succeed Hosokawa as he heads the biggest force in the coalition.

"Our party chairman is qualified for the job," he said.

Questioned about the possibility of the current coalition joining hands with the main opposition Liberal Democratic Party (LDP), Kubo said only, "I don't think there is any party and political group contemplating a tie-up with the LDP."

The once-dominant LDP lost the reins of government last August after a 38-year uninterrupted lock on power. It has refused to participate in Diet budget debate until Hosokawa clears himself of allegations about his personal finances.

Hata 'Most Plausible' Candidate

OW0804071794 Tokyo KYODO in English 0647 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—Prime Minister Morihiro Hosokawa, hounded by a controversy over his financial deals and a stalemate in the Diet, announced Friday [8 April] he is stepping down to take responsibility for the current political confusion.

Hosokawa officially offered his resignation to an emergency cabinet meeting after he made a surprise announcement to the hastily summoned leaders of the coalition partners, coalition officials said.

Hosokawa, explaining his decision to the coalition leaders, cited the stymied Diet business due to scandal charges over his two dubious financial deals.

He also said a new problem has been uncovered about his personal financial management. He did not specify the issue.

It is not known when the cabinet will resign en bloc, the officials said.

Hosokawa, who was swept to power last August with a vow to clean up corruption, has been under attack over a shady loan from Tokyo Sagawa Kyubin Co., a scandal-tainted trucking firm, and the purchase of shares in Nippon Telegraph and Telephone [NTT] Corp., a telecommunications giant.

The row over the deals have led to a stalemate in parliament, paralyzing the deliberations on the budget for fiscal 1994, which started April 1.

Hosokawa's public approval rate, which hit 70 percent immediately after he took the helm, has been plummeting in recent weeks, according to various media surveys.

Tsutomu Hata, deputy prime minister and foreign minister, is viewed among many coalition members as the most plausible candidate to succeed Hosokawa.

Hosokawa made the announcement only two days after a media frenzy over reports on his joking about quitting, which Hosokawa strongly denied.

The dogging corruption charges concerning the financial deal makings have taken a heavy toll on Hosokawa's public support and undermined his already-shaky leadership in the seven-party coalition, political sources said.

Hosokawa reiterated at a meeting with the coalition leaders that he repaid the 100 million yen loan in 1982 from Sagawa and dismissed any corruption charges over an NTT share purchase, which the premier has claimed was a deal by his late father-in-law.

But he said he should take the responsibility for the current Diet turmoil that has been caused by his personal affairs.

The opposition Liberal Democratic Party has been boycotting the debates at the House of Representatives Budget Committee, demanding a Diet testimony of Hosokawa's former aide, who was in charge of his financial affairs when he borrowed the money from Sagawa.

Revelations that Sagawa was at the center of a money-and-mobster scandal involving some LDP members helped topple the party from power after nearly four decades of often-corrupt rule, and paved the way for Hosokawa's alliance of conservative LDP splinter groups and traditional opposition parties like the Social Democratic Party (SDP).

Pursuing his avowed goal of cleansing the nation's politics of corruption, Hosokawa pushed through a political reform package in January that replaces multiseat districts with a combination of single-seat constituencies and proportional representation seats.

But his political standing was weakened after he was forced by strong opposition from within his own coalition to withdraw his announced plan to introduce a new value-added tax to replace the current consumption tax.

Recent corruption allegations came on top of the tax fiasco and an aborted plan for a cabinet reshuffle, which widened the hiatus between Hosokawa and Chief Cabinet Secretary Masayoshi Takemura.

Hosokawa's announcement Friday took both coalition partners and the opposition camp by surprise although speculation has been rife over his resignation.

Foreign Minister Hata, head of Shinseito (Japan Renewal Party), told reporters he had heard nothing about Hosokawa's intention.

Asked if he was surprised, Hata said, "of course."

Michio Watanabe of the LDP, a former foreign minister, said he was surprised at the prime minister's abrupt decision.

Coalition leaders are still uncertain about the issue of Hosokawa's successor, but some Shinseito officials mentioned Hata.

SDP Chairman Tomiichi Murayama said the coalition partners will immediately start discussing a replacement to avoid any political vacuum.

Hajime Funada, a Shinseito executive in charge of election affairs, said he favors Hata as the person to succeed Hosokawa.

"It is a natural course for our party to seek Hata's premiership," he said.

Keigo: Coalition Not To Agree

OW0804103894 Tokyo KYODO in English 1028 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—The ruling parties will not agree on naming Foreign Minister Tsutomu Hata as a new prime minister, the head of the Democratic Socialist Party (DSP), said Friday.

DSP Chairman Ouchi Keigo said, "the cabinet should not be formed upon the initiative" of Ichiro Ozawa and Yuichiro Ichikawa, major strategists in the coalition.

Ozawa is secretary general of Shinseito [Japan Renewal Party] led by Hata and Ichikawa is secretary general of Komeito, a Buddhist-backed party in the coalition.

Ouchi said placing Hata as successor to Prime Minister Morihiro Hosokawa, who announced his intention to resign, will stem objection within the coalition as such a decision would be made upon Shinseito's leadership.

SDPJ To Accept Coalition Consensus

OW0804103094 Tokyo KYODO in English 0902 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—The Social Democratic Party (SDP) [of Japan, SDPJ], the largest group in the coalition, will accept a consensus among ruling parties on who should succeed Prime Minister Morihiro Hosokawa, party head said Friday.

SDP Chairman Tomiichi Murayama met reporters shortly after Hosokawa announced he would step down.

The SDP differs from Shinseito [Japan Renewal Party], another powerful party in the coalition, over major policies including defense and tax.

However, asked what the SDP would do if Shinseito leader Tsutomu Hata, foreign minister, is named as new premier, Murayama said that if the coalition parties' representatives agree, "we will cooperate with the agreement."

A meeting of representatives is currently under way.

Asked whether the SDP would object to a prime minister from Shinseito, Murayama said the most important thing now is to form a government that can deal with the nation's domestic and foreign problems.

"An agreement will not be made if each party sticks to its own opinion," he said.

Murayama also said the coalition government should not change its current seven-party structure.

Hajime Funada, a senior Shinseito member and former Economic Planning Agency chief, said the party would push for Hata as the next premier.

Funada also said there may be some regrouping in the ruling coalition, apparently referring to rumors that former Foreign Minister Michio Watanabe, a member of the opposition Liberal Democratic Party, may join the cabinet.

Coalition Kingpins Mention Hata

OW0804091394 Tokyo KYODO in English 0851 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—Prime Minister Morihiro Hosokawa, beset by dogging corruption charges over his financial deals and a Diet stalemate, said Friday [8 April] he will step down to take "moral" responsibility for the political turmoil.

Hosokawa said he will bow out after only eight months in office because personal affairs have stymied Diet business, saying it is a problem concerning "morality of politics."

Hosokawa officially offered his resignation at an emergency cabinet meeting after making a surprise announcement to a hastily summoned meeting of leaders of the coalition partners, coalition officials said.

He told a press conference that fresh revelations about "legally suspicious" financial dealings involving his private office prompted him to make the decision.

The new revelations came to his attention Thursday night, the premier said.

Hosokawa said the new allegations include receiving interest on a 100 million yen loan from Sagawa Kyubin, a scandal-tainted trucking business group, as political contributions and gaining profits from dealings using political donations.

It is not yet decided when the cabinet will resign en bloc, the officials said.

Hosokawa, who was swept to power last August with a vow to cleanse the nation's political scene of corruption, has come under attack over a controversial loan from Sagawa Kyubin and another financial deal related with the purchase of shares in Nippon Telegraph and Telephone Corp. (NTT).

The row over the dealings has led to a stalemate in parliament, paralyzing deliberations on the budget for fiscal 1994, which started on April 1.

Hosokawa's public support, which was at over 70 percent immediately after he took office, has been on a steady decline in recent weeks.

Hosokawa's announcement has sent coalition leaders scrambling to find his successor and prompted some members of the opposition Liberal Democratic Party (LDP) to utter interest in taking part in the new cabinet.

Some coalition kingpins mentioned the name of Tsutomu Hata, deputy prime minister and foreign minister, who heads Shinseito [Japan Renewal Party].

Hajime Funada, a Shinseito executive in charge of election affairs, said he favors Hata as the person to succeed Hosokawa.

"It is a natural course for our party to seek Hata's premiership," Funada said.

Komeito Secretary General Yuichi Ichikawa also supported the idea.

"I think Hata is acceptable (as the new premier)," he said.

Michio Watanabe of the opposition LDP, a former foreign minister, hinted at a possible alliance with the ruling coalition.

"Japan is in a crisis," he said. "We should join forces with the people that have the same idea to surmount the crisis."

Koji Omi, another LDP policy-maker, said, "it is an emergency. We should establish the conditions to cope with the situation through nonpartisan efforts."

Hosokawa's bombshell announcement came only two days after he strongly denied news reports that he jokingly said he wanted to quit.

The unabatable corruption charges concerning the two financial deals have taken a heavy toll on his public support and undermined his already-shaky leadership in the seven-party coalition.

Hosokawa reiterated that he repaid the 100 million yen loan in 1982 from Sagawa and dismissed any corruption charges over the NTT share purchase, which he has claimed was conducted by his late father-in-law.

The LDP has been boycotting debate in the House of Representatives Budget Committee, demanding Diet testimony of Hosokawa's former aide over the Sagawa loan issue. Hosokawa has rejected the demand.

LDP President Yohei Kono said Hosokawa's responsibility for the Diet stalemate is "heavy."

Some coalition members dismissed the possibility of linking up with the LDP.

Shusei Tanaka, a senior policy maker of new party Sakigake [Harbinger], said, "there is no chance that the coalition will contribute to an LDP government or lend a hand to the LDP under current conditions."

The Sagawa scandal helped topple the LDP from power after nearly four decades of often corrupt rule, and paved the way for Hosokawa's alliance of conservative LDP splinter groups and traditional opposition parties like the Social Democratic Party (SDP).

In pursuing his avowed goal of cleaning up Japan's political system, Hosokawa pushed through a political reform package in January that replaces multiseat districts with a combination of single-seat constituencies and proportional representation seats for the lower house.

But his political standing weakened markedly after he was forced in February by strong opposition from within his own coalition to withdraw his announced plan to introduce a new value-added tax to replace the current consumption tax.

Recent corruption allegations came on top of the tax fiasco and an aborted plan for a cabinet reshuffle, which widened the hiatus between Hosokawa and Chief Cabinet Secretary Masayoshi Takemura.

Shinseito 'To Push' for Hata

OW0804082994 Tokyo KYODO in English 0801 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—Shinseito [Japan Renewal Party], a powerful party in the coalition government, hopes to push to replace Prime Minister Morihiro Hosokawa with its own leader, Foreign Minister Tsutomu Hata, a senior party official said Friday [8 April].

Hajime Funada, a senior Shinseito member and former Economic Planning Agency chief, said the party would push for Hata as the next premier, but added, "there is the question on how we should go about this with the current coalition framework. It is a delicate matter in finding a balance."

He also said there may be some regrouping in the ruling coalition, apparently referring to rumors that former Foreign Minister Michio Watanabe, a member of the opposition Liberal Democratic Party, may join the cabinet.

Funada was speaking to reporters at a press conference after an emergency meeting of executive members of Shinseito.

At the gathering, Ichiro Ozawa, secretary general of Shinseito who is considered to be the coalition's top strategist, said, "we have to be as quick as possible in electing a new prime minister to succeed our goals...so as not to frustrate the reform process."

Hosokawa announced earlier in the day that he would step down and an emergency cabinet meeting later accepted his decision to resign.

Kazakh President Addresses National Press Club

OW0804095794 Tokyo KYODO in English 0934 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—Kazakh President Nursultan Nazarbayev warned Friday [8 April] that some leading Russian politicians' attempts to stir up nationalistic sentiments among Russians residing in Kazakhstan and other former Soviet republics may trigger an exodus of refugees.

"If Russians, Ukrainians and Germans residing in Kazakhstan took Russian politicians' campaigns at face value and opted to move to Russia or other areas, they would plunge into a more severe situation than now," Nazarbayev said.

"Although such an exodus has not yet begun, my biggest anxiety comes from this issue," Nazarbayev told the Japan National Press Club on the final day of his four-day visit to Japan.

At present, some 5 million Russians, or more than a quarter of Kazakhstan's population, reside in the country which has a population of 17 million. Germans and Ukrainians each account for some 5 percent of the populace. Under the 19-century colonial policy of Czarist Russia, Russians were ordered to move to the central Asian country.

Nazarbayev accused Russian Foreign Minister Andrey Kozyrev and other politicians of having tried to rekindle Russian nationalist sentiments in a bid to lure Russian voters during 1993 parliamentary election campaigns.

Kozyrev said last November 22—three weeks before the parliamentary vote—that Moscow would "protect the Russian population and Russia's interests in a tough manner, wherever it is needed and whoever is concerned, even if it (concerns) our friends."

"The treatment of official Russian representatives, servicemen and our compatriots on the territory of any state, be it near or far abroad, is the litmus paper on which good neighborly relations with any state will be tested," Kozyrev said.

Nazarbayev told the press conference, "these Russian politicians tried to draw strength from the theme of the interests of 'Russia' in view of the December 11 parliamentary election."

Nazarbayev said there is no rationale for any calls for an exodus of Russians from Kazakhstan, as the Kazakh Government has taken a "policy of providing free plots of land to enable all residents to build homes and plow fields," whatever ethnic group they may belong to.

Nazarbayev refused to comment on press reports that Russia and the former Soviet Union bought U.S. security secrets from alleged U.S. Central Intelligence Agency turncoat Aldrich Ames over the past eight years for 2.5 million dollars.

Asked about U.S. congressional arguments calling for a halt to aid to Russia following the reported espionage case, Nazarbayev said, "I am not in a position to give advice to other countries on their aid policy to Russia."

'Text' of Communique on Kazakh President's Visit

OW0804093394 Tokyo KYODO in English 0904 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—The following is a full text of a Japan-Kazakhstan joint statement issued Friday [8 April] in Tokyo.

Japan-the Republic of Kazakhstan Joint Press Release

1. President Nursultan Nazarbayev of the Republic of Kazakhstan and Mrs. Nazarbayev paid an official visit to Japan from April 6 to 9, 1994, at the invitation of the Japanese Government, and were received by Their Majesties the Emperor and Empress of Japan at the Imperial Palace on April 8.

2. On April 7 President Nazarbayev had a summit meeting with Prime Minister Morihiro Hosokawa. The meeting was conducted in an extremely friendly and close atmosphere.

3. The prime minister and the president signed a joint statement concerning the promotion of the friendly relations between the two countries. In the joint statement they determined a fundamental frameworks, work for the development of mutual relations.

4. During the president's visit to Japan, notes were exchanged between the vice prime minister of the Republic of Kazakhstan and the minister for foreign affairs of Japan, affirming that treaties and other international agreements which were concluded and have been valid between Japan and the Union of Soviet Socialist Republics, in principle, continue to apply between Japan and the Republic of Kazakhstan in principle, with the exception of those which clearly have no significance between the two countries.

5. The prime minister informed the president of the implementation of assistance in accordance with basic intentions prescribed in the joint statement:

(1) The japanese-Kazakhstan committee for cooperation in the field of the destruction of nuclear weapons, which was established in accordance with the intergovernmental agreement signed March 11, 1994, received financial assistance valued at 1,170 million yen.

(2) In order to promote the economic reform and economic development in the Republic of Kazakhstan, the Government of Japan will give a yen loan amounting to a total of about 12,982 million yen for the project to strengthen the power of railway facilities and for the project to fight atmospheric pollution at the Ekibastuz electric power plant.

(3) The Export-Import Bank of Japan, with determination to give an untied loan valued at 220 million dollars to actively assist the economic reform for the transition of the Republic of Kazakhstan to a market economy, signed a loan agreement during the president's visit.

(4) Except the emergency humanitarian aid already implemented to the Republic of Kazakhstan through providing medical equipment, powdered milk and other goods valued at about 11 million dollars, the cooperation committee, which was established in accordance with the agreement signed on January 12, 1993, will give additional aid in the form of assistance to the formation of a mechanism for unassisted procurement of vaccines for new born babies in the Republic of Kazakhstan at the cost of 2 million dollars, and in the form of giving advanced medical equipment and equipment for medical treatment to hospitals for children and to other key hospitals in the Republic of Kazakhstan at the cost of 3 million dollars.

(5) Nine specialists in bank accounts system will be sent as trainees to Japan by the cooperation committee in collaboration with the Bank of Japan in the framework of technical assistance to the Republic of Kazakhstan. The committee will also receive two specialists to help the Republic of Kazakhstan to overcome the ecological problem in the region of the Aral Sea.

(6) Cultural grant aid of 48 million yen will be given to the Almaty National University in the form of the donation of language laboratory system and other sorts of equipment for studying foreign languages in order to achieve the development of cultural exchange between the two countries. And for the purpose of the development of Japanese language teaching and Japanese study in the Republic of Kazakhstan, textbooks of Japanese language and other books will be donated to the Kazakhstan National University, a training course will be held in Japan to those who teach Japanese in this university, and books will be donated to the economic center of the institute for economic forecasting.

6. The president expressed his gratitude for the warm reception and welcome that he had been given by the Government of Japan and the Japanese people during his official visit.

'Basic Policies' on Rate Increases Adopted

OW0804035494 Tokyo KYODO in English 0336 GMT 8 Apr 94

[Text] Tokyo, April 8 KYODO—The government moved Friday [8 April] to minimize the possible damage to the economy of planned hikes in utility and other public service charges by adopting what it called a set of "basic policies" on the proposed increases.

Key cabinet members agreed that the suggested hikes in telephone, taxi, medicine and many other public service charges should be permitted if they are "really inevitable" and only after due consideration is paid to their possible impact on the economy. The timing and scale of such hikes should be determined so they will not hurt the economy, the ministers said.

They also agreed that the charges should be raised on condition that services operators implement thorough restructuring in the future, officials said.

The meeting brought together Prime Minister Morihiro Hosokawa, Finance Minister Hirohisa Fujii, and other related government officials.

It came as public concern mounted over a string of proposed hikes of charges for public services that some critics say will erode the benefits of the government's planned tax cuts and hamper the recovery of the economy.

Nippon Telegraph and Telephone Corp. (NTT), for instance, has applied for government permission to raise the basic rate it charges telephone owners by an average 18 percent, as well as hiking its directory inquiries rates.

The planned rate hikes run against the Hosokawa government's much-touted policy of paying greater attention to consumers' interests.

The cabinet ministers stressed the need to bring Japan's public services rates into line with those of other countries, which are generally lower, officials said.

They said the ministers also agreed that the "basic policies" should be complied with when local governments give permission to raise bus fares and other public services charges in their areas.

North Korea

Envoy to Angola Views Relations With U.S.

MB0704202994 Luanda TPA Television Network in Portuguese 1930 GMT 7 Apr 94

[Text] The tug of war between the DPRK and the United States seems to be reaching break point. Both sides have made threats and neither wants to give in. Today, DPRK Ambassador to Angola Kang Sun-yong called the press to comment on the problem. Reporter Antonio Alves compiled this report:

The Patriot missiles which the United States recently set up in the Korean Peninsula and the pressure that it has been applying on the DPRK through the United Nations to have that country's nuclear installations inspected, have irritated the DPRK even more.

[Begin Kang Sun-yong recording in Korean, with passage-by-passage translation to Portuguese] Our country is a sovereign country. Though it is a small nation, if the United States should use its might to exert pressure on us, we will confront the Americans and counter their machinations. [end recording]

The DPRK has long been on alert and its people are only waiting for one blade of grass of their territory to be touched.

[Begin Kang Sun-yong recording] If they start shelling the Korean peninsula, they will disappear forever. [end recording]

Foreign Groups Condemn U.S. Acts on Peninsula

SK0704154094 Pyongyang KCNA in English 1516 GMT 7 Apr 94

["U.S. Moves Against DPRK Condemned Abroad"—KCNA headline]

[Text] Pyongyang, April 7 (KCNA)—Public organizations of different countries denounced the anti-DPRK acts of the United States which reversed the agreed conclusions reached at the DPRK-U.S. contact in New York and is aggravating the situation on the Korean peninsula.

The Committee for Supporting Korea's Reunification, the Peace Action Committee and 14 other organizations of Nepal in a joint statement criticized the United States for reversing its commitment and massing its Armed Forces around the Korean peninsula in a hasty move to resume the "Team Spirit" joint military exercises and deploy Patriot missiles in South Korea, in disregard of the expectations and hope of the world public.

The statement strongly urged the United States to desist from complicating the situation of the Korean peninsula any longer by sincerely implementing its commitment to the DPRK on the principles of the DPRK-U.S. joint statement, not going against the trend of the times. The Jordanian Committee for Solidarity with the Korean People in a statement voiced opposition to the U.S. interference in the internal affairs of Korea, urging an immediate halt to the frantic anti-DPRK campaign.

The Central Committee of the Organization of Workers of Mozambique in a statement denounced as unreasonable and unfair the act of the United States and the

International Atomic Energy Agency in transferring the "nuclear issue" to the UN Security Council.

The National Liberation War Veterans Committee of Zimbabwe demanded in a letter to the U.S. chief executive that the United States to [halt] at once it preparations for a war of aggression and embark on a negotiated settlement of the nuclear issue on the Korean peninsula.

KCNA Reports 6 Apr U.S.-ROK Air Exercise

SK0804055!94 Pyongyang KCNA in English
0528 GMT 8 Apr 94

[Text] Pyongyang, April 8 (KCNA)—The U.S. imperialists and the South Korean puppets staged a provocative air war exercise against the North Wednesday with overseas-based KC-135 refueling tankers, F-15 fighter-bombers and AV-8 VTOL [vertical takeoff and landing] assault planes and hundreds of fighter-bombers, assault planes and observation planes belonging to the U.S. Airforce in South Korea and the puppet airforce, military sources said.

The air war exercise in the skies above Chongju and Wonju was aimed at testing the capacity of the overseas-based warplanes of the U.S. Airforce and Marines in non-stop quick deployment in the operational airspace and surprise bombing on the North.

An overseas-based E-3 early warning plane, two RC-135 strategic reconnaissance planes, U-2 high-attitude strategic reconnaissance plane, RV-1 tactical reconnaissance plane and three RF-4C airforce reconnaissance planes committed an aerial espionage on the frontline area, coastline area, the inland and strategic in-depth areas of the North.

Fifteen reconnaissance planes were involved in the aerial espionage on the North in the South Korean airspace that day.

Foreigners Urge End to ROK Security Law

SK0704153094 Pyongyang KCNA in English
1511 GMT 7 Apr 94

["S. Korean 'National Security Law' Must Be Scrapped Immediately"—KCNA headline]

[Text] Pyongyang, April 7 (KCNA)—Voices strongly urging the abrogation of the "National Security Law [NSL]" in South Korea are ringing out from different countries.

J.O. Adeloju, chairman of the Nigerian Committee for Supporting the Peaceful Reunification of Korea, said in a press statement that the "National Security Law" of South Korea is the fascist law which defines North Korea as "an anti-state organization", barring free travels and exchange between the North and the South.

If the North-South dialogue is to progress successfully and peace and reunification of the Korean peninsula to be achieved at an early date, it is necessary to immediately and unconditionally scrap the NSL, he contended.

The Mozambican Committee for Friendship with the People of the Democratic People's Republic of Korea said in a statement that the South Korean authorities must know clearly that they can never evade the blame for their treason in blocking the national reunification, if they refuse to repeal the "National Security Law" despite warnings from the world people.

The Indonesian paper IN O SIAN OTSERVER carried an article branding the "NSL" as an obstacle to the materialization of democracy in South Korea.

CPRF Urges Release of 'Patriotic' ROK Students

SK0704053394 Pyongyang KCNA in English
0449 GMT 7 Apr 94

[Text] Pyongyang, April 7 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] published its Information No. 647 Wednesday, in which it accused the Kim Yong-sam traitorous clique of more frantically intensifying fascist crackdown upon patriotic students who rise in the struggle for independence against the United States and for national reunification.

According to the information, the South Korean fascist clique, some time ago, arrested about 450 students affiliated with Hanchongnyon (the South Korean Federation of General Student Councils), who had staged a demonstration urging a peaceful solution to the "nuclear issue" and protesting the deployment of U.S. Patriot missiles in South Korea. And they walked away students affiliated with the Pusan and South Kyongsang Provincial Federation of General Student Councils, who had protested against the rice market opening and shipment of Patriot in South Korea and urged a total dismantlement of the U.S. military bases.

They also imposed heavy penalties upon students, who had exchanged messages with students of Kim Il-song University in the North and taken the lead in demonstrations calling for anti-U.S. independence and national reunification, on "charges" of violation of the "National Security Law".

The puppet clique's brutal suppression and harsh punishment are an open challenge to the patriotic students of South Korea who aspire after independence, democracy and reunification, the information says, adding:

"We strongly hold that such anti-reunification, anti-democracy fascist laws as the 'National Security Law' should be abrogated in South Korea and all the patriotic students arrested on unwarrantable charges be released without delay."

ROK Student Strike on Market Opening Noted

SK0804052494 Pyongyang KCNA in English 0510 GMT 8 Apr 94

[Text] Pyongyang, April 8 (KCNA)—The South Korean Federation of General Student Councils (Hanchongnyon) declared Thursday afternoon that students of more than 140 universities and colleges across South Korea would go on a strike all at once from April 8 in an effort to check a "parliamentary ratification" of the farm market opening and as an expression of protest against signing of the "Uruguay Round Accord" due in Morocco this month, a radio report from Seoul said.

Along with this, a more than 200-member "hunger-strike team of Hanchongnyon for national salvation" will launch into an indefinite hunger sit-down at the "National Assembly Hall" in Youido, Seoul, and fasting will be staged in different areas and at universities for an indefinite period, it announced.

Hanchongnyon took a vote on the farm market opening and the signing of the "Uruguay Round Accord" among 350,000 students of 145 universities and colleges, and 90.5 percent of the voters expressed opposition to them.

Pyongyang Rallies Back Student Protests in South

SK0804053494 Pyongyang KCNA in English 0520 GMT 8 Apr 94

[Text] Pyongyang, April 8 (KCNA)—Students of Kim Il-song University and Pyongyang University of Agriculture held rallies and voiced support to the struggle of the South Korean students and people for checking rice market opening by the authorities.

Speakers at the rallies noted that, with the market of farm and livestock products including the rice market sold off to the United States by the South Korean Kim Yong-sam group, South Korean agriculture is facing a total bankruptcy, the 6 million peasants will lose the means of livelihood soon and its catastrophic effect will sweep the economy as a whole.

Referring to the staunch struggle of the students belonging to the South Korean Federation of General Student Councils (Hanchongnyon), the peasants and other people of South Korea against rice market opening by the Kim Yong-sam group, they said this was an explosion of anger and grievances against those who seek to prolong their despicable power by selling the people's right to existence and a righteous patriotic action to defend the dignity and interests of the nation.

They said the treacherous Kim Yong-sam puppet regime must be overthrown and an independent democratic government be established, if rice market opening is to be checked in South Korea and the dignity and interests of the nation be defended.

Groups Urge ROK To Implement 10-Point Program

SK0804053394 Pyongyang KCNA in English 0507 GMT 8 Apr 94

[Text] Pyongyang, April 8 (KCNA)—"All the forces opposed to division and confrontation, all the classes and strata aspiring after national reconciliation and unity should turn out as one to open up a decisive phase for carrying into practice the 10-point programme of the great unity of the whole nation," said the Central Committee of the South Korean National Democratic Front (Hanminjon) in an open letter to the people from all walks of life in South Korea on April 5, the Seoul-based radio Voice of National Salvation reported.

The letter was published on the lapse of one year since the great leader President Kim Il-song put forward the "10-point programme of the great unity of the whole nation for the reunification of the country".

It said if the 10-point programme of the great national unity is to be realized, it is important, above all, to wage a vigorous struggle to remove the forces of war and confrontation, the separatist forces that block reconciliation and great unity between the South and the North of the country and also to fight for the abrogation of the "National Security Law", an anti-national, anti-reunification evil law.

"The entire people," it stressed, "cherishing deep in mind the pride of having sagacious Comrade Kim Chong-il, the distinguished leader of the present times, at the head of the nation, should unite under the grand banner of great national unity and dynamically advance towards the establishment of a confederal, unified state, independent, peaceful and neutral."

Hanminjon Issues Statement on Reunification Plan

SK0604140294 Pyongyang KCNA in English 1035 GMT 6 Apr 94

[Text] Pyongyang, April 6 (KCNA)—Cho Il-min, chief of the Pyongyang mission of the South Korean National Democratic Front (Hanminjon), issued a statement Tuesday on the lapse of one year since the great leader President Kim Il-song put forward the historic "10-point programme of the great unity of the whole nation for The Reunification of the country."

The statement says:

The internal and external situation urgently demands that the Korean nation implement on a higher level the ten-point programme of the great unity of the whole nation put forward by respected President Kim Il-song.

Now that the Kim Yong-sam regime is totally blocking the people's movement for independent reunification and persisting in confrontation with the North, the entire Koreans in the South, North and overseas must unite more closely than ever before, smash the separatist moves of the anti-reunification forces and make a breakthrough for reunification with their own efforts.

Especially, the people in the South must demand an immediate end to the anti-North nuclear racket and "international cooperation system" of the United States and its followers which may lead to a nuclear war on the Korean peninsula.

When the entire nation courageously rises up in struggle to implement the ten-point programme of the great unity of the whole nation under the leadership of general Kim Chong-il, closely rallied around President Kim Il-song, the lodestar of national reunification, a new phase for national reunification will be opened up.

The entire members of Hanminjon, together with the 70 million compatriots in the South, North and overseas, will vigorously fight to valiantly smash the nuclear war provocations and separatist acts of the U.S. imperialists and the Kim Yong-sam group and promote peace and independent reunification of the country in hearty response to the ten-point programme of the great unity of the whole nation put forward by the great president.

ROK Nuclear Reactors 'Disguised' for Military Use

SK0804060094 Pyongyang KCNA in English 0542 GMT 8 Apr 94

["Indictment Against Nuclear Warmaniacs"—KCNA headline]

[Text] Pyongyang, April 8 (KCNA)—NODONG SINMUN today describes the white paper recently issued by the Central Committee of the South Korean National Democratic Front (Hanminjon) on the nuclear arms development of the South Korean authorities as one more stern indictment against the nuclear warmaniacs.

The news analyst says:

According to the white paper, the South Korean puppets have long since promoted the development of nuclear weapons under the nuclear umbrella of the United States.

The heavy water reactor in Wolsong and the multipurpose research reactor in Taedok, South Korea, are, to all intents and purposes, military facilities for nuclear arms development disguised as "commercial" and "research" reactors.

The heavy water reactor in Wolsong is not for "generating electricity." It was introduced for the production of plutonium. The reactor's structure is so designed as to change spent nuclear fuel any moment without stopping its operation.

The multipurpose research reactor in Taedok can be easily remodeled into a reactor producing plutonium any moment. Moreover, it is closely attached to a semi-reprocessing facility.

It must not go unnoticed that nuclear arms development is being promoted in secrecy at South Korea's atomic reactors and research reactors which are claimed to be undergoing routine inspection by the International Atomic Energy Agency.

It is only too natural that Hanminjon raised a question why the IAEA, while taking issue with the pilot reactor of the North, had not published the results of its inspection of South Korea's heavy water reactor and multi-purpose research reactor used for military purposes, whose capacities are scores of times and several times greater than the North's.

The South Korean people are now fighting against war and nuclear weapons and resolutely rejecting the Kim Yong-sam bellicose group's development of nuclear weapons. They will mete out a punishment to the Kim Yong-sam group.

KCNA Denounces Japan's Intelligence-Gathering

SK0804102494 Pyongyang KCNA in English 1013 GMT 8 Apr 94

["Japan's Intelligence Gathering on Korea Denounced"—KCNA headline]

[Text] Pyongyang, April 8 (KCNA)—Japan is intensifying intelligence gathering while strengthening military tieup with the United States and the South Korean puppets against the Democratic People's Republic of Korea.

Commenting on this, MINJU CHOSON today says the Korean people cannot remain an onlooker to this but are keeping tabs on Japan's moves.

The analyst says:

The Japan defence agency has set it as a primary task to "increase the capacity of intelligence gathering.",it is putting fresh muscles into the system of gathering information on the Korean peninsula and training in secrecy information-gathering experts with the help of the U.S. CIA.

Though the Cold War has ended Japan is now showing extra zeal in gathering information about the DPRK and other countries by using even satellite photographs provided by the United States. This is a tell-tale sign of its preparations for overseas aggression.

The top political and military quarters of Japan are attempting to overpower the DPRK with strength in league with the United States and the South Korean puppets. This is an anachronistic and foolish design.

The Japanese reactionaries must clearly know that their scheme to fulfil their design of overseas aggression, intensifying information gathering against the DPRK, will lead them to destruction.

Norodom Sihanouk Departs Pyongyang 8 Apr

SK0804052294 Pyongyang KCNA in English 0458 GMT 8 Apr 94

[Text] Pyongyang, April 8 (KCNA)—His Majesty King Norodom Sihanouk of Cambodia, who had been paying an official goodwill visit to Korea upon the invitation of President Kim Il-song of the Democratic People's Republic of Korea, left Pyongyang today by special plane, concluding his successful visit.

His Majesty King Norodom Sihanouk and his entourage were seen off at the airport by Vice President Yi Chong-ok, Vice Premier and Foreign Minister Kim Yong-nam and officials concerned.

Present at the airport were Cambodian Ambassador to Korea Oum Mannorine and embassy officials and Chinese Ambassador to Korea Qiao Zonghuai.

Agreements Signed on Information Services

With Cambodia

SK0804053294 Pyongyang KCNA in English 0459 GMT 8 Apr 94

[Text] Pyongyang, April 8 (KCNA)—An agreement on cooperation in information services between the Information Committee of the DPRK and the Ministry of Information of the Government of the Kingdom of Cambodia was signed in Phnom Penh on April 4.

It was signed by vice-chairman of the DPRK Information Committee Yi Pong-hui and Minister of Information of Cambodia Ieng Mouly.

With Laos

SK0704132194 Pyongyang KCNA in English 1021 GMT 7 Apr 94

[Text] Pyongyang, April 7 (KCNA)—An agreement on cooperation in information service was signed in Vientiane on March 31 between the Information Committee of the DPRK and the Ministry of Information and Culture of the Lao People's Democratic Republic.

The agreement was signed by Yi Pong-hui, vice-chairman of the Information Committee of the DPRK, and Bouasy Chaleunsouk, first vice-minister of Information and Culture of Laos.

Reportage on Proceedings of SPA Session

Recap of Second Day

SK0704115594 Pyongyang KCNA in English 1124 GMT 7 Apr 94

[Text] Pyongyang, April 7 (KCNA)—The seventh session of the Ninth Supreme People's Assembly [SPA] of the DPRK entered its second day today.

The session continued to discuss the first agenda item "on successfully fulfilling the tasks of socialist economic construction in the period of adjustment set forth by the Workers' Party of Korea [WPK]".

The speakers said that the revolutionary economic strategy of the WPK fully conforms with the basic interests of the revolution and construction in Korea and correctly reflects the desire and demand of its people.

They stressed that, when the strategy was thoroughly implemented, it would consolidate the foundation of the independent economy of the country as firm as a rock and open before the Korean people a bright prospect for the capture of a higher height of socialism.

A decision of the SPA of the DPRK "on successfully fulfilling the tasks of socialist economic construction in the period of adjustment" was adopted at the session with the unanimous approval of the deputies.

Then the session went over to the discussion of the second item on the agenda "on the review of the performance of the state budget of the DPRK for 1993 and the state budget for 1994".

Deputy Yun Ki-chong, minister of finance, delivered a report on it.

Deputy Han Song-yong, chairman of the Budget Committee of the SPA, made a report on the deliberation of the review of the performance of the state budget of the DPRK for 1993 and the state budget for 1994.

Speeches were made on the second agenda item.

The speakers noted that the state budget last year had been correctly performed and fully approved and supported the state budget for 1994, saying that it had been properly worked out whereby to successfully fulfil the first year tasks for the period of adjustment by implementing the agriculture-first, light industry-first and foreign trade-first policies to the letter, giving precedence to the coal and power industries and railway transport and steadily developing the metal industry.

The session discussed the third item on the agenda "on the endorsement of the laws adopted by the DPRK SPA Standing Committee during the recess of the SPA."

The session adopted with the unanimous approval of the deputies ordinances of the SPA of the DPRK—"on the endorsement of the decision of the Standing Committee of the SPA of the DPRK 'on the adoption of the law on the preservation of cultural relics of the DPRK,'" "on the endorsement of the decision of the Standing Committee of the SPA of the DPRK 'on the adoption of the law on lawyers of the DPRK'" and "on the endorsement of the decision of the Standing Committee of the SPA of the DPRK 'on the amendment and supplement to the law on joint venture of the DPRK'".

The session continues.

Economic Development Measures

SK0804013094 Pyongyang Korean Central Broadcasting Network in Korean 0642 GMT 7 Apr 94

[Text] A decision of the DPRK Supreme People's Assembly [SPA] on the successful fulfillment of the task of socialist economic construction in the period of adjustment set forth by the Workers' Party of Korea [WPK] was adopted at the session with the unanimous approval of the deputies. The decision of the DPRK SPA adopted at the session is as follows.

The decision of the DPRK SPA on the successful fulfillment of the tasks of socialist economic construction in the period of adjustment:

The 21st plenary session of the Sixth WPK Central Committee has set 1994 through 1996 as a period of adjustment for the socialist economic construction and has put forward a strategic task to be fulfilled during that period.

The great leader Comrade Kim Il-song has taught: In the socialist economic construction, we should set the upcoming three years as a period of adjustment as decided by the 21st plenary session of the Sixth Party Central Committee and thoroughly implement the agriculture-first policy, light industry-first policy, and trade-first policy during that period. Along with this, we should firmly give priority to the coal industry, power industry, and railway transport—which are the leading sectors of the national economy—and should continue to develop the metal industry.

The task of socialist economic construction in the period of adjustment is to thoroughly implement the agriculture-first policy, light industry-first policy, and trade-first policy; to firmly give priority to the coal industry, the power industry, and railway transport; and to continue developing the metal industry.

The WPK's presentation of the task of socialist economic construction in the period of adjustment is a wise step, enabling our socialist construction to be further deepened and developed at a new higher level, while consolidating the success gained during implementation of the Third Seven-Year Plan.

The WPK's revolutionary economic strategy is to totally comply with the basic interest of our revolution and construction, as well as to correctly reflect the aspirations and demands of our people. Also, the strategy is a just policy, which makes it possible to significantly raise our people's standard of living to extraordinarily strengthen our country's independence and the might of the socialist economy in conformity with the demands of socialism.

Only when the revolutionary economic strategy is embodied, will the long-cherished desire of our people to eat rice and meat soup, wear silk clothes, and live in a tile-roofed house be brilliantly achieved within the near future. At the same time, the country's self-reliant economic foundation will be consolidated as firm as a rock and a firm prospect to occupy a higher hill of socialism will be opened.

The DPRK SPA will decide as follows to successfully fulfill the tasks of the socialist economic construction in the period of adjustment put forward by the WPK.

1. The DPRK SPA will thoroughly implement the agriculture-first, light industry-first, and trade-first policy. Thoroughly implementing the agriculture-first policy, light industry-first policy, and trade-first policy is a basic guarantee for significantly raising the people's standard of living in the demands of socialism. It will effect the industrialization and modernization of agriculture at a higher level by thoroughly implementing the agriculture-first policy. Also, it will satisfactorily solve the issue concerning the people's food [inmindului mongnunmunjelul wonmanhui haegyol halgosida] by more greatly increasing all agricultural products, including grain production.

It will greatly develop the country's irrigation system by repairing and reinforcing irrigation facilities and by more effectively adopting the irrigation method [kwansu pangbop], while consolidating the success made in irrigation and electrification [surihwawa chongihwaui songgwa]. It will satisfactorily meet the demands of electricity by repairing and newly establishing power supply facilities and by improving the power supply system.

It will raise the utilization rate of the existing agricultural tools in the rural communities to the maximum and newly produce and supply various agricultural tools, including more than 30,000 tractors and 10,000 cargo trucks. Also, it will produce various kinds of chemical fertilizer and agricultural chemicals. As a result, it will raise the comprehensive mechanization and chemicalization in the national economy to a higher level.

Crops of rice and corn per chongbo [one chongbo equals 2.45 acres] will be further increased by thoroughly implementing the demands of rural technological revolution and chuche-based farming method so that the grain production target of 15 million tonnes may be achieved in the coming years.

All domains of rural economy, including livestock, fruit cultivation, and sericultural sectors will be developed so that demands for meat, fruit, and vegetable and raw agricultural products demanded by industries can be satisfactorily guaranteed.

Innovations in the production of people's consumer goods will be accelerated through the development of light industry.

Textile factories will be repaired, reinforced, and modernized so that fabric production can be increased by over 20 percent during the period of adjustment. Knitting and clothes-processing industries will be developed so that various kinds of clothes suitable for our people's figure and socialist lifestyle can be produced in large volumes.

The shoe industry will be modernized and production capacity will be utilized reasonably to increase shoe production by over 10 percent during the period of adjustment, thus, people's diverse demand for shoes will be satisfactorily guaranteed.

The food industry will be developed and production of popular foods will be increased to enrich and diversify people's dietary life. The volume and kinds of daily necessities will be increased and their quality will be further improved.

Local industry will be developed by modernizing local industry plants and reinforcing local resource bases. Production of various quality daily necessities and food will be significantly increased by reinforcing the production of 3 August people's consumer goods in all domains of people's economy including plants, enterprises, and cottage industry cooperatives and units.

Various areas of the people's economy will sufficiently produce and guarantee various raw materials for light industry, including chemical textiles and plastic.

A new turn will be made in foreign trade in conformity with the changing circumstance. All areas of people's economy will actively mobilize export resources, reinforce export bases, actively increase production, and improve the quality of export items of large foreign demand, including steel material, nonferrous metal, machinery equipment, batteries, magnesia clinkers, cement, processed stone, silk products, and traditional Koryo medicine.

Overseas markets will be actively developed, credit will be earned, and external trading transactions will be expanded and developed in various forms and methods, including processing trade, reselling trade [toegori muyok], commission trade, joint venture and management, economic and technological collaboration, and overseas construction.

Investment conditions for foreign companies will be satisfactorily guaranteed and investment inducement activities will be promoted by strengthening management in the Najin and Sonbong free economic trade zones.

2. Coal and electricity industries, and railway transportation, which are the leading sectors of the people's economy, will be assured that they are given priority, and the development of metal industry will be continued.

Continuously developing the metal industry and assuring that priority is given to the leading sectors of the people's economy are important demands for expanding and developing agriculture, light industry, and foreign trade, and for strengthening the self-reliance and independence of economy.

Coal production will be increased by 30 percent during the period of adjustment with the strengthening of the coal industry by giving precedence in tunneling and removal of soil and rocks, modernizing mining and transportation equipment, accelerating construction of new mines and new pits, carrying out construction work ahead of schedule, and giving priority to providing materials and equipment.

Investment in the crude oil industry will be increased so that more oil fields can be discovered by using reinforced exploring facilities and equipment, and by focusing efforts on exploring potential areas.

In the electricity industry, electricity production will be increased by 30 percent during the period of adjustment by repairing and reinforcing power plants, improving technological management, and accelerating power plant construction. Thermoelectric power plants will be in full operation through sufficiently supplied coal, hydroelectric power plants will increase the efficiency of water pressure, and factory thermoelectric power plants and small-to-medium hydroelectric power plants will normalize electricity production.

The construction of large-scale power plants will be actively accelerated so that they can begin operation ahead of schedule. An increased number of power plants using waste heat, small-to-medium hydroelectric power plants, and wind-power generating stations will be built, and nuclear power plants will be built on a large scale.

Daily railway cargo transportation will be increased by over 30 percent by strengthening the material and technological basis of railway transportation and organizing transportation organizations and command. Main lines will focus on railways, more trains and engines will be manufactured, and transportation organizations and command will be modernized and will be more scientific.

In the metal industry, priority will be guaranteed for iron ore production by reinforcing the tunneling and mining capacity of metal mines, including the Musan mining complex. The production of steel materials will be further increased by repairing and reinforcing the production procedure of iron and steel stations with modern technology.

3. Economic organizational works will continue to be properly carried out and economic management will be carried out well. Properly carrying out economic organizational works and economic management is a prerequisite for successfully implementing the tasks of socialist economic construction in the period of adjustment by highly displaying the revolutionary enthusiasm and active creativity of the masses.

In conformity with the demands of the party's revolutionary economic strategy, the State Administration Council will improve economic operations and organizational works, and further grip, guide, and control all sectors and units of economic society.

On the basis of the firm guarantee of the state's unified guidance on economic works, the creativity of committees, ministries, and provincial, municipal, and county plants and enterprises will be highly displayed. Particularly, provinces, cities, and counties will do their utmost to produce and guarantee people's consumer goods on their own by mobilizing local resources and reserves to the maximum.

The people's economic plan will be practically drawn up under the principle of making everything obedient to implementing revolutionary economic strategy. All areas and units will implement without fail the daily, monthly, quarterly, and indexical national plan.

Material and equipment will be provided to agriculture, light industry, and export production with priority by properly carrying out material supply works. The all-people support movement to these sectors will be vigorously carried out.

Along with this, the material and equipment for the leading sectors of the people's economy and metal industry will be thoroughly guaranteed.

In conformity with the demands of the Taean work system, the management of labor, equipment, and material will be improved, economic assets will be properly maintained, the economic efficiency of production and management activities will be maximized, economic leverages such as cost, price, profit will be properly utilized, the independent accounting system will be correctly implemented, and control by won [Korean currency] will be intensified.

By vigorously carrying out the movement for production increase and conservation as an all-mass movement, we should discover all reserves for production increase and should actively save raw materials and materials including electricity, coal, and fuel, thus thoroughly eliminating various phenomena of wastefulness.

We will see to it that valuable scientific and technological inventions, technical innovation plans, creative designs, and rationalization plans be worked out by inspiring the patriotic passion and abilities of the producing masses, scientists, and technicians so that they are effectively used in production.

4. We will further strengthen the single-hearted unity of the revolutionary ranks and will highly display the revolutionary spirit of self-reliance.

It is a decisive guarantee for successfully implementing the tasks of the period of adjustment of socialist economic construction that all the people highly demonstrate the revolutionary spirit of self-reliance and arduous struggle in firm unity with the party and the leader.

We will see to it that all functionaries and workers firmly arm themselves with the chuche revolutionary outlook and vigorously display the might of single-hearted unity of our revolutionary ranks in implementing tasks of the period of adjustment in firm unity with the party and the leader.

All domains and all units of the national economy, upholding the militant slogan, "Let us vigorously accelerate the socialist general march with the revolutionary spirit of self-reliance and arduous struggle!" will effect a new upsurge in socialist economic construction by discovering what is in shortage and by producing what is not available and by assuming the attitude and position worthy of masters to carry out works with their own strength even without help from the upper echelon, although such help is better than none.

All economic guidance functionaries and workers will break through difficulties laid before them by their own strength with such spirit as one with which our working class and people produced hand-grenades with empty hands during the arduous days of war; restored the economy on the empty land after the war, and effected the great Chollima upsurge. They will successfully carry to accomplishment the tasks of the period of adjustment of socialist economic construction by continually innovating and advancing with the spirit of adding the speed of the nineties to Chollima.

5. We will further enhance the responsibility and role of guiding functionaries of the state economic organizations.

Successful implementation of tasks of the period of adjustment of socialist economic construction depends on the sense of responsibility and role of the state economic guiding functionaries, who are the commanding staff of the revolution.

The state economic guiding functionaries should cherish thoroughgoing faith and determination to entrust their destinies to our party and to die at the post of duty while defending their revolutionary outposts, and should become the standard-bearers and vanguards in upholding the party and the leader.

Through practical struggle to successfully implement the tasks of the period of adjustment of socialist economic construction, the guiding functionaries will highly display the sense of loyalty to the party and the leader.

With a sense of confidence and optimism that they will win victory without fail on the road of upholding the leadership of the great leader and great party, the guiding functionaries will always think creatively, will boldly and revolutionarily carry out works, will stand at the van of difficult tasks, and will fulfill their responsibility and role assigned by the party and the leader by fully demonstrating all of their wisdom and passion.

The guiding functionaries will deeply mingle with the producer masses according to the demand of the revolutionary slogan, "We serve the people!" and should share joy and sorrow with them. Thus, they will skillfully organize and mobilize the masses to the implementation of the tasks of the period of adjustment.

6. The establishment of concrete execution measures for these decisions will be entrusted to the DPRK Administration Council.

The Seventh Session of the Ninth SPA of the DPRK

7 April 1994

Pyongyang

Law on Cultural Relics

SK0704111194 Pyongyang KCNA in English 1047 GMT 7 Apr 94

[Text] Pyongyang, April 7 (KCNA)—The ordinance "on the endorsement of 'the law on the preservation of cultural relics of the Democratic People's Republic of Korea'" was adopted at the second-day sitting of the Seventh Session of the Ninth Supreme People's Assembly [SPA] held here today.

The law was adopted as a decision of the SPA Standing Committee on March 24, 1994.

It consists of six chapters and 52 articles.

The law shall be conducive to establishing strict system and order in the preservation and management of cultural relics and keeping them in their original state to properly inherit and develop the cultural legacies of the nation and exalt the national pride of the people.

According to the law, the cultural relics include primitive relics, castles, ruins of beacons, buildings, ruins of buildings, graves, towers, tombstones, pottery kiln sites, smithy sites and other historical relics and production tools, daily necessities, weapons, plastic art works, old books, ancient documents, human fossils, remains of dead persons and other historical remains. They are owned by the state only. The inherited historical relics, however, can be owned by individual citizens.

The state does not admit the transfer of the ownership of historical remains which have illegally been carried abroad but claims their return.

The excavation of cultural relics shall be done only by the cultural relics preservation institutions and competent professional organs. Upon discovering cultural relics, an office, an enterprise, an organisation or a citizen should report the cultural relics to a preservation guidance institution or a competent organ.

Cultural relics shall be preserved and managed by the cultural relics preservation institutions and the offices, enterprises, organisations and citizens that have the historical relics.

The state shall designate historical relics reserves in order to preserve them.

Historical relics cannot be sold or bought, nor can they be taken to a foreign country.

The institution that wants to take historical relics to a foreign country for the purpose of exhibition should obtain the approval of the Administration Council.

The unified guidance over the cultural relics preservation shall be given by the central guidance institution for the preservation of cultural relics.

If anyone digs out cultural relics by stealth, sells or buys historical relics, takes them to a foreign country or does not present discovered historical relics, the relevant relics shall be confiscated.

Session Closes 8 Apr

SK0804111194 Pyongyang KCNA in English 1100 GMT 8 Apr 94

["7th Session of 9th SPA of DPRK Closes"—KCNA headline]

[Text] Pyongyang, April 8 (KCNA)—The Seventh Session of the Ninth Supreme People's Assembly [SPA] of the Democratic People's Republic of Korea which opened here April 6 closed today after successfully discussing the items on the agenda.

The session adopted with the unanimous approval of the deputies the decision of the SPA "on the review of the performance of the state budget of the DPRK for 1993" and the ordinance of the SPA "on the state budget of the DPRK for 1994."

Anniversary of 10-Point Reunification Plan Noted

SK0604140094 Pyongyang KCNA in English 1030 GMT 6 Apr 94

["Let Us Pave the Way to Peace and Reunification With Great Unity of Whole Nation"—KCNA headline]

[Text] Pyongyang, April 6 (KCNA)—Papers here today dedicate editorials to the first anniversary of the publication of the work of the great leader President Kim Il-song "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" (April 6, 1993.)

The ten-point programme of the great unity of the whole nation put forward by the great leader is a patriotic one which embodies the noble desire of the 70 million fellow countrymen to achieve the reunification and prosperity of the Korean nation with a 5,000 year-long history through the firm unity of the whole nation, transcending the differences in ideology, idea and social system; it is a great banner of national reunification which indicates a short-cut to tide over the difficulties in the way of reunification by the strength of the internal force of the nation and achieve the independent, peaceful reunification of the country, NODONG SINMUN says, and goes on:

An unprecedented danger of war is being created in the Korean peninsula by the adventurous anti-DPRK, anti-socialist moves of the United States and the South Korean puppets, its followers.

The United States reversed the agreed conclusion reached at the contact with the DPRK in New York, led the third-round of the DPRK-USA talks to a rupture, and brought the "nuclear issue" to the UN Security Council to produce a "presidential statement" and is now resorting to the military adventure to stifle the DPRK, more undisguised in a row of international pressure on the DPRK.

The Kim Yong-sam puppet clique, dancing to the tune of war against the North turned by the United States, its master, is fanning up war fever, clamouring for "tough countermove" and "strong retaliatory punishment" against the DPRK.

The prevailing situation is making it more incumbent upon the Korean nation to unite in one mind to defend peace and security of the country at the risk of their lives, irrespective of residence, ideology and idea.

All the fellow countrymen in the North, the South and overseas should turn out as one in the patriotic struggle to achieve peace and reunification of the country with the great unity of the whole nation transcending the differences in ideology, idea and social system, bearing deep in mind the high aim and noble patriotic idea of the great leader President Kim Il-song reflected in the ten-point programme of the great unity of the whole nation.

The principle of national independence should be maintained in order to implement the programme and achieve peace and reunification of the country.

The South Korean people should never pardon the Kim Yong-sam group which is hindering the great unity of the nation, trying to outlive in reward for selling off the dignity and interests of the nation to the outside forces, without independence.

The editorial calls upon the whole nation to hold in high esteem the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il as the centre of unity and leadership and achieve the great unity and thus open a new epochal phase in removing the danger of a nuclear war, preserving peace and hastening reunification in the 90s.

Volume 40 of 'Kim Il-song's Works' Published

SK0704133494 Pyongyang KCNA in English 1039 GMT 7 Apr 94

[Text] Pyongyang, April 7 (KCNA)—"Kim Il-song's Works" Vol. 40 was recently published by the Workers' Party of Korea [WPK] Publishing House.

This volume contains 27 classical works, including highly important speeches, conclusions and talks of the great leader President Kim Il-song from May 1986 to December 1987.

The immortal classical work "Historical Experience of Building the Workers' Party of Korea" indicates the character and mission of the Workers' Party of Korea as a new-type party of the working class, a revolutionary party of chuche type, and the basic principles of party building.

It also expounds the question of fully guaranteeing the guidance of the party over the revolution and construction.

The work "For the Complete Victory of Socialism" explains the reason why the complete victory of socialism is the lawful requirement of the socialist and communist construction, and the characteristics and features of a completely victorious socialist society.

It clarifies the question of building a classless society by transforming man and social relations on the pattern of the working class, the basic question in achieving the complete victory of socialism, and the questions of laying solid socialist material and technical foundations by accelerating the economic construction and of strengthening the people's power and enhancing its function and role.

President Kim Il-song in his works "Let Us Accelerate the Socialist Economic Construction by Highly Displaying the Revolutionary Spirit of Self-Reliance", "On Thoroughly Carrying Out the Tasks of the Technical Revolution Set Forth in the Socialist Rural Theses" and other works indicated the tasks and ways of further consolidating the foundations of the socialist independent national economy by bringing about new constant upsurge in production and construction in the revolutionary spirit of self-reliance.

Besides, the volume contains the ideas, theories and policies of briskly accelerating national reunification and the cause of making the whole world independent and clear answers to the question of further expanding and developing the overseas Koreans movements of the General Association of Korean Residents in Japan (Chongnyon) and Koreans in Japan, and to other theoretical and practical questions arising in various fields of the revolution and construction.

Film Show Celebrates Kim Il-song Birthday

SK0804053194 Pyongyang KCNA in English 0502 GMT 8 Apr 94

[Text] Pyongyang, April 8 (KCNA)—A ten-day film show opened in Korea to celebrate the 15th of April.

Showing in the period are documentary films on the history of the revolutionary activities of the great leader President Kim Il-song, including "The Leader Is the Great Father of Our People" and "The Great Leader Has Opened a Broad Avenue for Bumper Crops", and feature films, including "The Star of Korea" (parts 1-10), "The Sun of the Nation" (parts 1-5) and "The Nation and Destiny" (follow-ups).

The films impressively show the course of the revolutionary struggle of the respected leader, the national pride and honor of the Korean people dynamically advancing under his leadership and the superiority of the Korean-style socialist system centred on the masses.

Opening ceremonies took place in provincial, city and county seats Thursday.

Kim Chong-il Completes Year as Defense Head

Meeting Commemorates Anniversary

SK0804110794 Pyongyang KCNA in English 1046 GMT 8 Apr 94

["National Meeting Commemorates First Anniversary of Comrade Kim Chong-il's Election as Chairman of DPRK National Defence Commission "—KCNA headline]

[Text] Pyongyang, April 8 (KCNA)—A national meeting was held at the February 8 house of culture today to celebrate the first anniversary of the dear leader Comrade Kim Chong-il's election as chairman of the National Defence Commission of the Democratic People's Republic of Korea.

The meeting was attended by Marshal O Chin-u, member of the Presidium of the Political Bureau of the C.C. [Central Committee], the Workers' Party of Korea [WPK], first vice-chairman of the National Defence Commission of the DPRK and minister of People's Armed Forces; Premier Kang Song-san and Vice-presidents Yi Chong-ok and Pak Song-chol who are Politburo members of the WPK Central Committee; other senior party and state officials and working people in the city.

Overseas Koreans staying in the socialist homeland were also present.

Vice Marshal Choe Kwang, Politburo member of the C.C., the WPK, vice-chairman of the National Defence Commission of the DPRK and chief of the General Staff of the Korean People's Army, made a report at the meeting.

The reporter said the election of supreme commander of the Korean People's Army Comrade Kim Chong-il as chairman of the National Defence Commission of the DPRK at the Fifth Session of the Ninth Supreme People's Assembly in April last year was the realisation of the unanimous desire of the Korean people and People's Army officers and men to have their leader at the head of the defence forces and follow him, and another historic landmark in firmly defending the security of the people and the revolutionary cause and victoriously advancing the Korean revolution.

The reporter quoted the great leader Comrade Kim Il-song as saying:

"Comrade Kim Chong-il has an indomitable will and grit and outstanding intelligence and commanding art as befits the supreme commander of the revolutionary Armed Forces. This guarantees the constant strengthening and development of our revolutionary Armed Forces and their ever-victorious advance."

The reporter continued:

Comrade Kim Chong-il, our supreme commander, formulated the military doctrine of the great leader as an integral one with chuche military idea, theory and tactics as its keynote and has comprehensively developed it in depth, thus brilliantly solving the urgent questions raised by military practice in the present times.

With an outstanding and tested commanding art, he has wisely led the whole party, the entire people and the whole Army to implement our party's line of self-reliant defence so that the defence capabilities of the nation have been consolidated rock-firm in all spheres.

Today our People's Army has grown in strength and developed into invincible revolutionary Armed Forces with all services and arms, powerful means of strike and defence and unique tactics of chuche, which are sufficient for any modern warfare.

The ever-victorious might of the People's Army lies in that the whole Army has one loyal heart to defend the party and the leader with death, closely united with one idea and one purpose, and are firmly prepared militarily and technically to defeat any formidable enemy.

Today our worker-peasant red guards, young red guards and other civilian Armed Forces are all firmly built up and the whole country has literally turned into an impregnable fortress. And, with a powerful self-reliant defence industry, we have become able to further modernize the defence power of the country with our own efforts, if we decide to.

And the traditional beautiful traits of unity between the Army and the people are in full bloom on a new, higher level and the unity of the Army and the people in ideology and purpose has become closer.

It is a brilliant fruition of the outstanding and tested leadership of our supreme commander that we have built the self- reliant defence power which no enemy dare provoke, even under the particularly difficult condition in which we are building socialism in the constant danger of the U.S. imperialsts' aggression and war.

The tense situation in which a war may break out at any time has been created in our country owing to the vicious anti-socialist, anti-DPRK campaigns of the imperialists and other international reactionary forces.

No machinations of the enemy can frighten our people and People's Army that are under the outstanding leadership of a great brilliant commander.

The reporter stressed:

If the enemy dare ignite a war, our people and People's Army unshakably determined to share the destiny with the party will meet them courageously and wipe out the enemy relentlessly.

It is our unshakable will and policy to answer strength with strength, and dialogue with dialogue.

The U.S. imperialists and their stooges must not misinterpret this unshakable will and policy and act with discretion, looking squarely at the trend of the times.

The reporter called upon the entire people and men and officers of the People's Army to fight more staunchly to hasten the day of national reunification, resolutely smashing the moves of the anti-reunification forces with the conviction that national reunification in the 90s is certain as they are led by the dear leader Comrade Kim Chong-il.

Choe Kwang Reports

SK0804105394 Pyongyang Korean Central Broadcasting Network in Korean 0802 GMT 8 Apr 94

[Report by Choe Kwang, member of the Workers' Party of Korea Central Committee Political Bureau and chief of Staff of the Korean People's Army, to the central report meeting marking the first anniversary of the appointment of Kim Chong-il as chairman of the DPRK National Defense Committee held at the 8 February cultural hall in Pyongyang—live]

[Excerpt] [Passage omitted] A tense situation in which a war may break out anytime prevails in our country at present because of the vicious antisocialist, anti-Republic maneuvers by the U.S. imperialists and other international reactionary forces.

The U.S. imperialists, who had broken up [patan] the third round of DPRK-U.S. talks, had the UN Security Council release the president's statement, which makes unjustifiable [tangchiannun] demands on us, and are more openly maneuvering to crush [apsal] us.

Moreover, the U.S. imperialists are more frantically kicking up commotions for military pressure, while saying that they would resume the Team Spirit joint military exercise and that they would not hesitate to wage another Korean war.

In step with them, the puppet South Korean clique intends to stage the nuclear war exercise against us at all cost and babbles that it would offer punitive retaliation [ungjing pobok] against us and use this as an opportunity to achieve reunification if it is necessary.

The South Korean puppets put all the puppet armed forces on special alert and even made public a dangerous new plan to invade the North.

Teaming up with the U.S. imperialists and the South Korean puppets, the Japanese reactionaries, as well, got more deeply involved in the maneuvers to ignite a fuse to a new war on the South Korean peninsula. [sentence as heard]

All facts show that the maneuvers by the U.S. imperialists and other reactionaries to isolate and crush [apsal] our republic have reached their extreme and that, as a result, a war may break out on the Korean peninsula anytime.

However, any maneuver by the enemy cannot frighten our people and the People's Army, under the outstanding leadership of the great commander [yongjang].

If the bastards ignite a fuse to a war after all, our people and the People's Army, filled with a firm resolve to share the same destiny with the party, will resolutely tackle them head on and mercilessly sweep out [mujabihage ssuroborilgut] the enemy. [applause]

Responding to the use of force with force and dialogue with dialogue is our firm will and policy [himenun himuro taehwaenun taehwaro tappyonhanun kossi uriui hwakko pudonghan uijiimyo chongchaegimnida].

The U.S. imperialists and their lackeys must not miscalculate [osan] our firm will and policy and act with discretion after clearly seeing the trend of the times.

All the people and People's Army officers and men must vigorously wage the struggle to reliably defend the socialist fatherland and the revolutionary gains from the enemy's infringement [chimhae], build the country's defensive forces impregnable, and strengthen the People's Army into an invincible revolutionary army. [passage omitted]

Article Dedicated to Kim Chong-il Work

SK0404233194 Pyongyang KCNA in English 1507 GMT 4 Apr 94

[Text] Pyongyang, April 4 (KCNA)—The dear leader Comrade Kim Chong-il, in his historical work "On Some Questions in Understanding the Chuche Philosophy" published on April 2, 1974, gave a comprehensive exposition of the basic characteristics of the chuche philosophy, the chuche-based viewpoint of man, the chuche-based outlook on the world, a scientific understanding of independence and other theoretical and practical questions arising in the development of the chuche philosophy.

In a by-lined article dedicated to the 20th anniversary of the publication of the work, NODONG SINMUN today says it is a monumental work that newly formulates all the fundamentals of the chuche philosophy and systematizes them in an integral whole and an immortal famous work greatly conducive to the development of the philosophical idea of the working class.

It says:

The dear leader expounds that the chuche philosophy is an anthropocentric philosophy which is elaborated and systematized, focussing on man. This is a scientific formulation of the basic characteristics and originality of the chuche philosophy.

The chuche philosophy is fundamentally different from the human philosophy. It does not explain the human question only but raises such fundamental questions as the relationship between the world and man and the position and role of man in the world and elucidates the man-centred outlook on the world.

The work is a precious ideological and theoretical treasure which newly raises and explains the human question and a great textbook of the chuche idea which gives a new correct outlook of the chuche philosophy on the world.

The dear leader defined man as a social being with independence, creativity and consciousness, thus making it clear that the chuche philosophy and the bourgeois human philosophy are diametrically opposed to each other in their view of man.

By elucidating the view of the world that nature and society are dominated and transformed by man, the chuche philosophy brilliantly fulfilled the philosophical task of our time in which the popular masses are masters of their own destiny and history.

It is a noteworthy event in the history of human philosophy that the dear leader gave a scientific exposition of the formation and development of man's independence and its characteristics.

The chuche philosophy explains that independence is not a product of evolution but a social product. As a result, it has been made clear that man is not a simple biological being that represents on the highest level such natural attribute as desire for existence which other living matter in general has, but the most developed social being that represents such social attribute as independence which other living matter cannot have.

Meeting Marks 1974 Kim Chong-il Health Care Work

SK0804060494 Pyongyang KCNA in English 0516 GMT 8 Apr 94

[Text] Pyongyang, April 8 (KCNA)—A national meeting marking the 20th anniversary of the publication of "On Further Developing Health Care for the People", a work of the dear leader Comrade Kim Chong-il, on April 9, 1974 was held here Thursday.

The dear leader Comrade Kim Chong-il in the work expounded on a scientific basis upon the essence, character and main duty of socialist medicine which meets the demand of the chuche idea, stressing that hygienic propaganda, hygienic culture and hygienic and preventive work must be energetically conducted for the implementation of the party's policy of prophylactic medicine.

Saying medical service for the people is not a mere technical work but an important political work, he elucidated detailed questions arising in the development of health care such as waging a vigorous movement for kind service, widely introducing Koryo therapy, consolidating the material and technical foundations of hospitals and improving health care by upgrading the level of specialization.

Vice-Premier of the Administration Council Chang Chol delivered a report at the meeting.

He said the work of the dear leader serves as a highly important guideline for developing health service in conformity with the demand of the developing revolution when the modelling of the whole society on the chuche idea has surfaced to the fore and thus defending and exalting the health care system of anthropocentric Korean-style socialism and is an immortal classic work that gives flawless answers to all theoretical and practical questions arising in the ultimate solution of the health care problem.

Reviewing the achievements registered in health service over the past 20 years since the publication of the work, he stated the people's right to medical treatment is ensured on a high level as the people enjoy ever greater benefits of the communistic health care policy of the Workers' Party of Korea [WPK].

The meeting was attended by secretary of the WPK Central Committee Kim Chung-nin, officials concerned and health workers.

KCNA Praises Attributes of Koryo Ginseng

SK0804060594 Pyongyang KCNA in English 0525 GMT 8 Apr 94

[Text] Pyongyang, April 8 (KCNA)—Koryo insam (ginseng) of Kaesong, a speciality of Korea, enjoys a worldwide fame as a medicinal plant.

For the distinctive qualities of the local soil and water, the meteorological features and unique cultivating and processing methods, Koryo insam of Kaesong has exceptional medical values.

The root of insam, the main part of medical use, usually resembles the human shape.

According to the method of processing, Koryo insam of Kaesong is classified into three kinds: hongsam (red ginseng) paeksam (white ginseng) and thangsam (sugared ginseng), which are of high medical effect.

Insam contains some ten kinds of glucoside helpful for health and longevity. It also contains essential oil, amino acid and other organic acids, vitamins, a proper amount of radium and microelements.

Insam protects the five viscera, has a good effect on the brain, the heart and blood vessels, stimulates the glands of internal secretion and promotes metabolism. It serves as a cure-all medicine and so is used as the main ingredient of traditional Koryo medicines.

Insam has an invigorating and fatigue-relieving effect and increases mental and physical labor capacity and is especially effective in promoting health and longevity.

Koryo insam of Kaesong has been proved of late to be effective against radiation and cancer for its inherent ingredients and pharmacological function. This has broadened the scope of its application.

Insam contains 0.05 per cent of aromatic matter, which gives it special spice.

The state makes several hundred kinds of tonics from Koryo insam of Kaesong such as insam sugar, insam extract, insam injection and insam nutritive to promote the health of the working people.

Insam products are popular on foreign markets.

Taekwon-do Federation President Arrives

SK0704154194 Pyongyang KCNA in English 1517 GMT 7 Apr 94

[Text] Pyongyang April 7 (KCNA)—Choe Hong-hui, president of the International Taekwon-do Federation, arrived here today.

He was met at the airport by Kim Yong-sun, chairman of the Korean Taekwon-do Committee Cha Pyong-ok and officials concernd.

Visitors Arrive To Mark 15 Apr, Spring Festival

SK0704153494 Pyongyang KCNA in English 1519 GMT 7 Apr 94

[Text] Pyongyang, April 7 (KCNA)—A congratulatory group of Koreans in China under the National Alliance for the Country's Reunification (Pomminnyon) led by Nam Su-nam, first vice-chairman of the Pomminnyon headquarters of Koreans in China, arrived here today to celebrate the 15th of April.

Also arriving here were a Cuban art troupe, a Romanian art troupe, a group of Russian actors and actresses, Russian acrobats, Russian soloists, a Moldova art troupe, a Bulgarian acrobatic troupe, the Kubalinka folk music troupe of Belarus, a Syrian musician, a trio of the Congo, the Donbas dance group of Ukraine, Ukrainean soloists and Yugoslav soloists to participate in the 12th April spring friendship art festival.

Slogan on Party Determination Featured

SK0704112094 Pyongyang KCNA in English 1008 GMT 7 Apr 94

["'When the Party Is Determined, We Can Do Anything'"—KCNA headline]

[Text] Pyongyang, April 7 (KCNA)—The slogan "When the Party Is Determined, We Can Do Anything!" is seen anywhere in the Democratic People's Republic of Korea.

The slogan reflects the revolutionary will and stamina of the people who are determined to share the destiny with the Workers' Party of Korea (WPK) forever.

The Korean people have moved mountains and harnessed the sea to carry out the party's decisions, displaying a revolutionary spirit in the historical course of socialist construction.

Suffice it to take a glance at economic construction.

When the WPK initiated the construction of the West Sea barrage which is of great importance for socialist economic construction, the Korean people and People's Army soldiers accepted the initiative as their own and turned out in its construction.

It was a vast and difficult project which would have taken dozens of years with the established method. The project included the building of dam eight kilometres long across the sea scores of metres deep, three locks which can let ships of 2,000 to 50,000 ton class pass simultaneously, tens of sluice gates, railways and motorways on the dam.

The soldiers and civilian builders moved ten odd mountains, disposed of 15 million cubic metres of earth, tamped two million cubic metres of concrete and collected and transported 16 million cubic metres of stones and gravels to build the dam of eternal value in five years with their own design, technology, materials and strength. With the construction of the barrage, the coastline diminished 20 kilometres and nine islands including Ok and Horang islands disappeared.

The West Sea barrage is a precious product of the revolutionary spirit of self-reliance and hard work of the Korean people who unconditionally accept and carry out the decisions of the party.

When the party intended to make a 10,000-ton press, workers of Korea did it without hesitation. The workers of the Ryongsong combined general bureau of machinery wrought a miracle by completing the processing and assembling of the 10,000-ton press and successfully test-operating it in one year or more, though it would have taken 4-5 years according to the experience.

When the party decided to launch a "200-day campaign" to glorify the 40th anniversary of the DPRK founding as a grand festival of victors, "200-day campaign youth death-defying corps of loyalty" were organised at more than 3,000 units across the country in the first ten days of the campaign. The entire people rose up as one and achieved great successes in all sectors of the national economy, giving full play to the revolutionary spirit of self-reliance and hard work.

Dressing plant No. 3 of Komdok with a capacity of 10 million tons built in one year on top of a mountain 1,200 metres above sea level, the Sangwon cement complex with a capacity of millions of tons, the Pyongbuk smeltery, a powerful non-ferrous metal producer, and many other edifices of eternal value are all associated with the feats of the Korean people and People's Army soldiers who accept the party's decisions as their revolutionary will.

Life, Death of Revolutionary Fighter Remembered

SK0504223394 Pyongyang KCNA in English 1523 GMT 5 Apr 94

[Text] Pyongyang, April 5 (KCNA)—A national memorial service took place here Tuesday on the tenth anniversary of the death of O Paek-yong, a communist revolutionary fighter who was intensely loyal to the great leader President Kim Il-song, (on April 6, 1984).

O Paek-yong was a steadfast communist revolutionary fighter who fought all his life for the freedom and independence of the country and the accomplishment of the cause of socialism and communism and a courageous and talented military commanding officer who performed great feats in the revolutionary wars against U.S. and Japanese imperialism.

Choe Kwang, Politburo member of the Central Committee of the Workers' Party of Korea and chief of the general staff of the Korean People's Army, in his memorial address referred to the brilliant life of O Paek-yong and precious feats he performed in struggle. O was born into a poor peasant's family in Hoeryong county, North Hamgyong Province, on October 24, 1914, he joined in the revolutionary struggle in the 1930 and firmly defended the great leader politically and ideologically and with his life as an ordinary soldier, then a platoon leader, a company commander and a regimental commander in the whole period of the anti-Japanese armed struggle.

After the liberation of the country he worked hard to strengthen the People's Armed Forces and defend the gains of revolution from the aggression of the enemies, upholding President Kim Il-song's line of Army building and, during the fatherland liberation war, made a great contribution to repelling the invasion of the U.S. imperialists and defending the independence of the country as a divisional commander of the Korean People's Army.

Later, holding important posts of the Ministry of Interior, the Ministry of National Defence, the Central Committee of the Workers' Party of Korea, the Central People's Committee and the National Defence Commission, he performed big feats in defending the headquarters of the Korean revolution and implementing the party's military line of self-reliant defense.

In the memorial address Choe Kwang said the life of O Paek-yong was a brilliant life of a communist revolutionary who dedicated his all to the party and the leader, the country and the people and the accomplishment of the cause of socialism and communism, and the intense loyalty to the party and the leader, a high degree of revolutionary spirit and devoted services for and modesty toward the people which ran through his whole life serve as a valuable example for all the party members and working people.

Attending the memorial service were O Chin-u, member of presidium of the Political Bureau of the WPK Central Committee and minister of People's Armed Forces, Yi Chong-ok and Pak Song-chol, Politburo members of the WPK Central Committee and vice-president, Kim Pyong-sik, chairman of the C.C. [Central Committee], the Korean Social Democratic Party and vice-president, and other senior party and government officials and anti-Japanese revolutionary fighters.

Papers here today dedicate articles to the occasion.

South Korea

China 'Will Oppose' Sanctions Against DPRK

SK0804050494 Seoul KBS-1 Radio Network in Korean 0405 GMT 8 Apr 94

[Text] Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, who is visiting the ROK, said today that China will oppose to resolve the North Korean nuclear issue by applying sanctions, stressing that to take a countermove of sanctions against North Korea will only complicate the issue.

President Liu came to Seoul to hold discussions with the ROK on the detail of forming the ROK-PRC Forum, which will be inaugurated in June. His remarks attract the public eye because he is a core person in charge of China's diplomacy who was vice foreign minister and occupied other important posts.

President Liu asked back if any problem had ever been resolved through international sanctions and said that, although the North Korean nuclear issue had occasionally faced obstacles, progress was truly made in resolving the issue through dialogue between North Korea and the United States and between North Korea and the International Atomic Energy Agency. He continued to say that on the ground of this progress, China believes firmly [hwakrin] that the North Korean nuclear issue will be resolved through dialogue.

President Liu also said that he had met North Korean President Kim Il-song many times, but he would not play the role of a mediator between South and North Korea for resolving the nuclear issue because there are dialogue channels between the two.

North Missile Sites Said Along PRC Border

SK0804015994 Seoul YONHAP in English 0152 GMT 8 Apr 94

[Text] Tokyo, April 8 (YONHAP)—North Korea is building missile launching sites along the Chinese border, the ASAHI SHIMBUN reported in a Seoul-datelined story on Friday.

In an interview with the Japanese newspaper, former North Korean Army 1st Lt. Yim Yong-son, who defected to South Korea last September, said Pyongyang had selected areas along the Chinese border as missile launching sites, judging that an attacker would avoid these areas for fear of hitting China by accident, the report said.

Saying he was quoting fellow soldiers at an Army engineering unit engaged in construction of missile bases where he worked before defecting to Seoul, Yim said that although North Korea's missile launching sites are located along the eastern coastlines of North Hamgyong and Kangwon Provinces and Wonsan city, the Stalinist North recently started building additional sites along the Chinese border.

Some 5,000 people are working at such sites at Chunggangjin in Chagang Province and the job will be completed next year, the Japanese newspaper quoted Yim as saying.

"I heard that North Korea, presuming that the United States and South Korea would not attack missile sites along the Chinese border for fear of hitting China if war broke out, began constructing the sites along its Chinese border," he was quoted as saying.

DPRK Envoy Warns of Japanese Nuclear 'Threat'

SK0804060194 Seoul YONHAP in English 0553 GMT 8 Apr 94

[Text] New Delhi, April 8 (YONHAP)—A North Korean ambassador warned Friday that his country will go nuclear, accusing Japan of posing an atomic threat to the Korean peninsula.

The threat of Japanese nuclear weapons development is being actualized, North Korean envoy to India Cha Pong-chu said in a keynote speech to the UN Economic and Social Commission for Asia and the Pacific (ESCAP).

Tokyo currently possesses enough plutonium to make 6,500 nuclear weapons, Cha claimed, demanding that the Japanese Government announce to the world it will not go nuclear.

If Japan did choose the nuclear option, the inter-Korean agreement on denuclearization would become meaningless, he said, reasoning that North Korea would then have to pursue its own nuclear program.

Cha, a former vice foreign minister, said in an earlier interview with YONHAP News Agency that Pyongyang would decide whether to produce nuclear weapons after considering all external threats.

First Meeting of Security Policy Council Held

SK0804023394 Seoul KBS-1 Radio Network in Korean 0100 GMT 8 Apr 94

[Text] The government held the first meeting of the Unification and Security Policy Coordination Council presided over by Unification Minister Yi Yong-tok this morning. It was decided to hold a meeting of this council every Friday to coordinate the government's position on the North Korean nuclear issue and other security-related issues. It was also decided to promptly call a special meeting whenever it is needed to cope with changing situations.

Deputy Prime Minister Yi Yong-tok; Foreign Minister Han Sung-chu; Defense Minister Yi Pyong-tae; Kim Tok, head of the Agency for National Security Planning; Pak Kwan-yong, chief presidential secretary; and Chong Chong-uk, senior presidential aide on foreign and security affairs—who are core figures in charge of unification and security affairs—were present at the meeting. They have decided to seek an effective way to actively cope with unification and security matters by pursuing a one-voice policy [hanmoksori chongchaek] through close coordination of related offices' opinion, being reminded of the fact that this council was organized mainly because the people have come to distrust the government's confused unification and security policy.

In today's meeting, they shared the view that the Unification and Security Policy Coordination Council will play the role of a virtual control tower in charge of generalizing [tonggwal] and coordinating opinion to prevent confusion in government policy, and that high-level strategic meetings and unification-related ministers meetings will be held continuously.

In addition, after determining that a working-level body is needed to support the council's activities, they decided to form a working-level organization chaired by the deputy minister of the National Unification Board.

In particular, the participants reconfirmed in today's meeting the government's fixed position [chongnidoen ipchang] that the third round of U.S.-North Korean talks cannot be held unless North Korea allows nuclear inspections and complies with the exchange of special envoys.

'Overall Situation' Considered

SK0804030894 Seoul YONHAP in English 0258 GMT 8 Apr 94

[Text] Seoul, April 8 (YONHAP)—The government held the first meeting on unification and security policy coordination at the South-North dialogue office on Friday to review its overall policy toward North Korea.

The meeting, presided over by Minister of the National Unification Board (NUB) Yi Yong-tok, decided to discuss all unification matters, diplomacy related to the North and security to coordinate the opinions of different ministries.

The various ministries and secretaries will also push ahead with unification- and security-related policies under the principle that the government must seek progress in inter-Korean relations.

President Kim Yong-sam Thursday instructed that a Unification and Security Policy Coordination Council be formed. The council comprises the minister of the National Unification Board, the foreign and defense ministers, the director of the Agency for National Security Planning, the chief presidential secretary and the senior secretary for foreign and national security affairs.

NUB Minister Yi said after the meeting, "We looked into the overall situation on unification and security after adoption of the U.N. Security Council's presidential statement and rupture of inter-Korean working-level contact."

"We will discuss every policy to adjust differences between ministries."

The coordination meetings will be held regularly more than once a week, and President Kim himself will chair the sessions when necessary.

Russia Asks DPRK To Improve Loggers' Rights

SK0804011094 Seoul YONHAP in English 0044 GMT 8 Apr 94

[Text] Seoul, April 8 (YONHAP)—Russia has asked North Korea to allow its loggers in Siberia to carry passports and move freely through the logging yards, a lawmaker said Wednesday.

Rep. Kang Sin-cho, chairman of a fact-finding subcommittee of the National Assembly's Committee on Foreign Affairs and Reunification, made the remark after attending a closed-door meeting with government officials. He said Moscow is demanding that Pyongyang improve the human rights of North Koreans working at logging yards in Siberia.

"On-the-spot examination by the fact-finding subcommittee of the Siberian logging yards is a delicate matter related to diplomatic relations between South Korea and Russia as well as inter-Korean relations. Therefore, we plan to decide on when to go to Siberia after fully consulting with the government," he said.

Pyongyang is negotiating with Moscow to renew their forestry agreement which expired at the end of last year, but Russia is demanding that a new provision securing the human rights of North Korean loggers be added to the new pact.

Some 16,000 to 20,000 North Koreans are working in Pyongyang-run logging yards in Siberia, with hundreds having escaped to roam throughout Russia or seeking asylum in South Korea.

Russian Official on Asylum for DPRK Loggers

SK0804132094 Seoul YONHAP in English 1306 GMT 8 Apr 94

[Text] New Delhi, April 8 (YONHAP)—Russian Vice Foreign Minister Aleksandr Panov said here on Friday that if South Korea wishes it, Russia would send all those North Korean loggers who had escaped from their logging yards in Siberia to South Korea.

Panov, now here to attend the 50th U.N. Economic and Social Commission for Asia and the Pacific (ESCAP) meeting, told the YONHAP news agency that there would be no problem in permitting their asylum in South Korea.

Saying that talks were going on with North Korea over whether to continue to keep North Korean logging yards in Siberia, the Russian vice foreign minister said a new agreement could be concluded before long taking into account the views of human rights organizations concerned about the rights of North Korean loggers.

With regard to his recent remarks that Russia would support North Korea if it is invaded, Panov said that Russia is the successor to the former Soviet Union and that the agreements signed between the USSR and North Korea still remain valid.

"If we repeal USSR-North Korea agreements overnight, it would lead to a great confusion," he said. "But, we are re-interpreting some of the clauses of such agreements now that things have changed."

Russia is seeking ways to cope with the changed reality while keeping the existing agreements without offending North Korea if possible, Panov said.

DPRK's 1994 National Budget Reported

SK0804004094 Seoul YONHAP in English 0028 GMT 8 Apr 94

[Text] Seoul, April 8 (YONHAP)—The North Korean Government has announced a 1994 national budget amounting to 41,525,190,000 won (18.8 billion U.S. dollars based on a current exchange rate of 2.20 won to one dollar.)

The announcement was made by Finance Minister Yun Ki-chong at the Seventh Session of the Ninth Supreme People's Assembly Thursday, North Korea's Central News Agency (KCNA) said, according to NAEWOE PRESS, Seoul's official monitor of North Korean press reports.

The budget represented an increase of 2.4 percent in revenues and a rise of 3.2 percent in expenditures, KCNA said.

The North Korean Government plans to hike budget expenditures for the "people's economy" by 3.2 percent, and for social and cultural projects by 2.8 percent, compared with rises last year of 3 percent and 2.1 percent, respectively, from the year earlier.

In 1993, the North Korean Government had budget revenues of 40.5 billion won (18.8 billion dollars based on an average exchange rate in 1993 of 2.15 won to one U.S. dollar). Of the total, the government spent 40.2 billion won (18.7 billion dollars), leaving a surplus of 328 million won (152 million dollars), KCNA said.

The fact that Pyongyang increased the 1994 budget by a relatively small margin from 1993 was seen as a virtual admission that it has failed to fulfill its third seven-year economic plan (1987-93), analysts at NAEWOE said.

The Pyongyang government has apparently set the next three years (1994-96) as an adjustment period for construction of a socialist economy, they said.

Pyongyang increased military spending 4.1 percent from 1993 to 11.6 percent of the total budget. But a considerable proportion of its actual military outlay is believed to be hidden in the sector called expenditure on the people's economy, NAEWOE said.

If everything was taken into consideration, the North's military spending would amount to more than 30 percent of the total, it said.

President Kim Talks With Japan's Hosokawa

SK0804112294 Seoul YONHAP in English 1115 GMT 8 Apr 94

[Text] Seoul, April 8 (YONHAP)—President Kim Yong-sam had a telephone conversation with outgoing Japanese Prime Minister Morihiro Hosokawa Friday afternoon, in which Kim consoled the resigning premier.

The telephone talks lasted about 15 minutes beginning 6 P.M. It was called by Hosokawa.

The Japanese prime minister explained to President Kim about the background that led him to decide to resign as premier and thanked the president for the cooperation Kim showed to him.

President Kim said there would be no change in his friendship with and trust in Prime Minister Hosokawa, which he said had been cemented through mutual visits and summit talks.

Students Demonstrate Against Uruguay Round

SK0804133894 Seoul KBS-1 Television Network in Korean 1219 GMT 8 Apr 94

[By reporter Hwang Sang-mo]

[Text] Students who had restrained themselves from staging demonstrations for some time took to the streets again to demand renegotiations on the revised Uruguay Round implementation plan.

Approximately 5,000 students of 22 Seoul universities, including Hanyang and Kyonghui Universities, gathered at Chongnyangni Station, Chongmyo Park, and other places in Seoul and held meetings to oppose the ratification of the Uruguay Round implementation plan. The students called the revision of the Uruguay Round implementation plan an antistate act that would crush agriculture. They demanded renegotiations with the United States on basic agricultural products. They also demanded that the National Assembly not ratify the implementation plan and opposed the adoption of the Morocco protocol composed of implementation plans of each state scheduled for 12 April.

Approximately 5,000 students of some 110 regional universities, including Pusan, Chonnam, and Kyongbuk Universities, held meetings this afternoon to oppose the adoption of the Uruguay Round protocol and the National Assembly's ratification and staged street demonstrations.

In particular, students of eight universities in Pusan and South Kyongsang Province, including Pusan and Tonga Universities declared a class boycott for today and tomorrow.

Most of today's gatherings were peaceful, and there was no confrontation between police and students.

Burma

Indonesian Forestry Minister Arrives

BK0804014094 Rangoon Radio Burma in Burmese 1300 GMT 7 Apr 94

[Text] An Indonesian delegation led by Forestry Minister Jamaludin arrived at Yangon [Rangoon] airport by air this evening at the invitation of Lieutenant General Chit Swe, member of the State Law and Order Restoration Council and minister of forestry affairs.

The visiting minister and delegation later paid a courtesy call on the forestry affairs minister, Lt. Gen. Chit Swe, at the International Business Center on Prome Road at 1630.

High-level official talks were held and Lt. Gen. Chit Swe and Mr. Jamaludin delivered opening addresses.

Later, Forestry Affairs Minister Lt. Gen. Chit Swe and wife hosted a dinner in honor of the visiting Indonesian minister and entourage at the People's Park Restaurant.

National Convention Plenary Session Continues

Chairmen Presents Analysis Report

BK0804082894 Rangoon Radio Burma in Burmese 0630 GMT 8 Apr 94

[Text] The National Convention Plenary Session continued at 0900 this morning in the Central Meeting Hall of the President's Residence compound on Ahlone Road, Yangon [Rangoon].

The plenary session was attended by Lieutenant General Myo Nyunt, chairman of the National Convention Convening Commission, and commission members; U Aung Toe, chairman of the National Convention Convening Work Committee [NCCWC], and work committee members; Brigadier General Tin Aye, chairman of the National Convention Convening Management Committee, and committee members; national convention delegates; and local and foreign correspondents.

U Saw Philip, alias U Philip San, from the Wa National Development Party acted as alternate chairperson at the plenary session. Dr. Than Nyunt, U San Tha Aung, U Mahn Ohn Maung, U Kan Nyunt, U Soe Maung, U Tin Maung, U Khin Maung Htoo, and U Sai Aung Htun acted as members of the Panel of Chairmen. U Khin Maung Myint, director general of the NCCWC Office and the official in charge of meetings, acted as secretary of the meeting.

First, the secretary of the meeting announced the session was valid because 643 out of 693 delegates were in attendance. According to the agenda, the Panel of Chairmen of the National Convention presented a review and analysis of the suggestions submitted by delegate groups to prescribe the fundamental principles related to the state, state structure, and head of state chapters that will be included in drawing up the constitution. Alternate Chairperson U Saw Philip, alias U Philip San, and Panel of Chairmen members U San Tha Aung, U Sai Aung Htun, and U Kan Nyunt presented the review and analysis on the head of state chapter.

The plenary session recessed at 1050. The afternoon session of the National Convention Plenary Session is in progress at the Central Meeting Hall of the President's Residence compound on Ahlone Road, Yangon.

ABSDF Denounces National Convention

BK0704140994 Hong Kong AFP in English 1223 GMT 7 Apr 94

[Text] Bangkok, April 7 (1993)—A Burmese dissident group Thursday denounced the ongoing constitutional convention in Rangoon and revealed a split among opposition delegates.

The 702 delegates to the convention, which first met in January 1993, are drafting a document that will ensure continued military rule, the All Burma Students Democratic Front (ABSDF) said in a statement.

"Such a constitution is merely backbone for the continued existence of military rule and the political system (being drawn up) is no more than a military-dominated one," said the statement by the ABSDF Central Committee.

It noted the 93 delegates from the main opposition National League for Democracy (NLD) had submitted a 47-page proposal to the convention on May 26, 1993, and it had been ignored. The NLD camp is split between those who want to continue attending the convention and those who want to pull out, it said. Last December, the NLD leadership ruled its delegates should remain.

Since then, "there has been high tension between the NLD delegates to the NC (national convention) who believe in attending the NC and others ... who object to the NC," the statement said.

The anti-convention group has since proposed standing by the NLD's 47-page proposal and has said that if the pro-convention group is not "courageous" enough to do so, the anti-convention delegates will resign from the drafting body, it said.

The majority of NLD delegates have said that if the convention does not adopt the party's proposal, they will send a written objection to the international community, it said.

No NLD spokesman could be reached Thursday for comment, but another dissident spokesman told AFP it was proper for the ABSDF to comment on the NLD's actions because the two groups have "many connections."

The NLD delegates essentially represent all dissident groups at the constitutional convention. The other delegates represent other sectors of Burmese society.

The NLD overwhelmingly won the May 1990 national elections in Burma, but the ruling junta [word indistinct] to turn over power and instead cracked down on the opposition.

Cambodia

Sirivut Hints of UNSC Move Against Thailand

BK0804075894 Hong Kong AFP in English 0732 GMT 8 Apr 94

[By Sheri Prasso]

[Text] Phnom Penh, April 8 (AFP)—Australia's foreign minister arrived here Friday expressing support for the Cambodian government's sovereignty, as Cambodian Foreign Minister Prince Norodom Sirivut hinted at UN Security Council (UNSC)action against Thailand for its alleged support of the Khmer Rouge.

Cambodia has accused Thailand on a number of occasions of continuing to support the Khmer Rouge guerrillas in their war against the elected Phnom Penh government. The Thai government denies it, but acknowledges its (?military) has business links with the guerrillas across the border in Cambodia.

"As for Thailand, my prime minister is not happy," Prince Sirivut said at the airport while awaiting the arrival of Australian Foreign Minister Gareth Evans.

"If we must go to the Security Council, we will go," he said, without stating what kind of action, whether resolution or sanctions, against Thailand would be appropriate.

Asked if the Cambodians would ask Evans' support for such a move, Prince Sirivut said: "I ask everybody to support the Cambodian Royal Government and not the Khmer Rouge."

France already indicated support for action against Thailand during a visit last week by deputy premier Simone Veil.

Evans said he believed the Thai government was "absolutely sincere" about its resolve "not to give aid, comfort and support" to the Khmer Rouge, but that central control may not be total.

"I mean, there may be some individuals who continue to play some kind of a supporting role in the Thai business community and some areas of the Thai military," he said. "That's perfectly possible, because that's historically been the case, and it's not always easy to address these issues."

He said he discussed Cambodian border issues with Thailand's top officials during a recent visit to Bangkok, but that it was not for Australia to interfere.

"I think it's an issue that has to be resolved bilaterally between the two countries, and the sooner they get into a frank, comprehensive dialogue on the issue, with all the necessary mechanisms and strategies that go with that... the better," Evans said, expressing support for Cambodia's government elected by the UN peace plan that he was instrumental in putting forward in 1991.

Evans, due to leave Sunday, also announced a doubling of foreign aid to Cambodia over the next four years in line with pledges made at previous aid conferences in Tokyo.

Areas of concentration include building bridges, demining, human rights promotion, English-language training and health. Australia will also provide 2.5 million to three million Australian dollars for defense cooperation, part of which will go to Cambodia's demining coordination agency.

Evans was also scheduled to meet co-premier Prince Norodom Ranariddh, acting head of state Chea Sim and deputy premier Sar Kheng.

He was also scheduled to open the Australian Centre for Education, which teaches English to Cambodians.

PDK Rejects Ranariddh Accusations of Thai Help

BK0804042294 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 7 Apr 94

["Communique by the Party of Democratic Kampuchea spokesman rejecting the base accusations made by Prince Ranariddh, first prime minister of the two-headed government, who fabricates stories and accuses the Thai military of providing assistance to Democratic Kampuchea" issued on 6 April; place not given—read by announcer]

[Text] I. There have been reports that on 5 April, Prince Ranariddh, first prime minister of the two-headed government, said there is a photo of Democratic Kampuchean leaders leaving the Pailin battlefield in a car and entering Thai territory with an escort of Thai troops.

II. The Party of Democratic Kampuchea [PDK] spokesman vehemently and most categorically rejects Prince Ranariddh's accusation, which has dirty and dark political goals. This concocted and dirty story certainly will not deceive anyone.

III. The Cambodian nation and people, like the international public in general, know and are well aware of the tricky way of the communist Vietnamese aggressors and their puppets and lackeys. The communist Vietnamese aggressors and their puppets and lackeys have been using this dirty method incessantly since 1978-79 to cover up the war by the communist Vietnamese aggressors and their great criminal and brutal activities in killing the Cambodian nation, people, and race. These are intended to transform Cambodia into a second Kampuchea Kraom [former Cambodian territory now part of

Vietnam] according to the communist Vietnamese Indochinese Federation strategy.

Prince Ranariddh concocted all the above stories on the orders of his masters; namely, the alliance between communist Vietnam and the communist Vietnamese puppets. Their goals are the following:

1. The two-headed government, the communist Vietnamese, and their allies have taken turns making accusations concerning the situation on the Pailin battlefield. This is to cover up the fact that communist Vietnam has brought nearly 4 million Vietnamese settlers into Cambodia and annexed tens of thousands of square kilometers of Cambodian territory in eastern Cambodia.

2. To cover up their defeat on the Pailin battlefield; the two- headed government, the communist Vietnamese puppets, and their allies are beginning to smell utter defeat on the Pailin battlefield. The invading forces of the two-headed government are being attacked by the National Army of Democratic Kampuchea and the Cambodian people. Their transport lines around Pailin—which are their lifelines—are being cut and their troops are being attacked and trapped within Pailin's perimeter. Their soldiers are constantly being killed and wounded. They are running around like rats caught in traps.

IV. The Cambodian nation and people and the international public have clearly seen who is good and who is bad; who wants peace and national reconciliation and which warmongers are fueling the war. The communist Vietnamese oppose national reconciliation and the king's five-point national reconciliation plan.

It is clear that Democratic Kampuchea wants genuine peace and national reconciliation in line with the king's five-point plan. As for the two-headed government and the communist Vietnamese puppets, they constantly shout about war and about fighting against Democratic Kampuchea and the Cambodian people.

National and international opinion inside and outside of the country predicts that the two-headed government will certainly be defeated on the Pailin battlefield, just like at Anlung Veng.

[Signed] The PDK spokesman
[Dated] 6 April 1994

Malaysian Prime Minister To Visit

BK0804111894 Phnom Penh AKP in French 1008 GMT 8 Apr 94

[Text] Phnom Penh 8 Apr (AKP)—Prince Kromkhun Norodom Sirivut, minister of foreign affairs and international cooperation, returned to Phnom Penh on Wednesday, 6 April, after a four-day official visit to Malaysia.

The aim of the visit is to improve cooperation between Cambodia and Malaysia, said the foreign minister, adding: "Within the framework of economic cooperation and development, Malaysia has the possibility of restoring Cambodia. It is necessary for Cambodia to establish its embassy in Kuala Lumpur as this is very important for ties between the two countries."

Prince Kromkhun Norodom Sirivut also announced the forthcoming visit to Cambodia of the Malaysian prime minister, who would be guest at a reception to be given by the king of Cambodia at the Royal Palace.

Sihanouk To Meet Khieu Samphan in Beijing

BK0804065094 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 7 Apr 94

[Text] 1. On 29 March 1994, after receiving news that King Norodom Sihanouk and the queen would return to the motherland on 8 April, His Excellency [H.E.] Khieu Samphan, chairman of the Party of Democratic Kampuchea, sent a message to his majesty the king. Here is the essence:

I am very happy to learn that his majesty the king has been discharged from the hospital in good health and that the king and queen will return to meet with the children of our motherland on 8 April.

The entire Cambodian nation and people very much rejoice over this great event. I will be in Phnom Penh on 8 April to join our nation and people in welcoming the king on this joyous occasion. As the king has a tight schedule and his health is not yet fully back to normal, I do not dare ask to see the king and the queen at this time. Please allow me to meet with you and the queen on a day you deem appropriate.

2. On 1 April, the king and queen answered H.E. Khieu Samphan's message through the king's Secretariat in Phnom Penh. The king said he would be pleased to receive H.E. Khieu Samphan and a delegation at the Royal Palace at 1000 on 13 April.

3. On 2 April, after learning that the king and the queen had agreed to receive H.E. Khieu Samphan and a delegation on 13 April, H.E. Khieu Samphan addressed another message to his majesty the king. Here is the essence:

Please allow me to express my most profound gratitude to the king and queen for agreeing to receive me and a delegation at the Royal Palace at 1000 on 13 April. As I informed the king in my message dated 29 March, my colleagues and I want to express our respect, fond sentiments, and warmest welcome directly upon the arrival of his majesty the king and the queen at Pochentong Airport. My presence could cause some protocol difficulties, however, as well as security problems.

For this reason, please allow me to send a delegation to Phnom Penh, with H.E. Chan Youran as my representative, to express directly my warmest welcome to the king and queen at Pochentong Airport and to contact the king's Secretariat to prepare for my 12 April trip to meet the king and queen at the Royal Palace on 13 April at 1000, as scheduled.

4. On 5 April, his majesty the king sent another message to H.E. Khieu Samphan through the king's Secretariat, informing H.E. Khieu Samphan that there are many problems concerning his planned trip to Phnom Penh. These problems result from the fact that the Cambodian state authorities—whether the police or the force accompanying the visit—do not have the goodwill to give any consideration to the arrival, escort, or return of H.E. Khieu Samphan. They also will not give any consideration whatsoever to H.E. Khieu Samphan's security in Phnom Penh.

On top of this, there is no guarantee—even 60 percent—of H.E. Khieu Samphan's security, or for that of the Democratic Kampuchean delegation as it is traveling from Pochentong to Phnom Penh, during its stay in Phnom Penh, or in the Royal Palace.

The king said: I cannot find any trusted person to accompany the Democratic Kampuchean delegation from Pochentong to Phnom Penh and back. With such a bad situation, it is better for you to meet me in Beijing in June.

King Sihanouk Arrives in Phnom Penh

BK0804052594 Phnom Penh AKP in French 0400 GMT 8 Apr 94

[Text] Phnom Penh 8 Apr (AKP)—Accompanied by his wife, Queen Monineat Sihanouk, His Majesty King Norodom Sihanouk arrived in Phnom Penh today, 8 April, from the DPRK.

Norodom Sihanouk, reenthroned as king of Cambodia last September, has since been hospitalized in Beijing for cancer treatment. He travelled to Pyongyang early this month before returning to Cambodia.

According to a schedule arranged by the Royal Palace cabinet, the king will preside over a people's audience on 12 April to solve five urgent problems from among the grievances aired by the Cambodian people as selected by his high privy councillors.

A roundtable meeting between government leaders and the head of the Khmer Rouge faction under the king's lofty chairmanship has also been arranged.

Last month, government forces took control of several Khmer Rouge-held bases, including Anlung Veng and Pailin, in the region bordering Thailand. King Sihanouk launched an appeal from Beijing calling on the Royal Government of Cambodia [RGC] and the Khmer Rouge faction to put a halt to their fighting.

Samdech Krompreah Norodom Ranariddh and Samdech Hun Sen, respectively first and second prime ministers, have declared that the RGC has adopted an "open-door" policy toward the Khmer Rouge, allowing them a chance to reintegrate themselves into the national community.

Fighting Continues in Northwest Battlefield

BK0804061694 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 7 Apr 94

[Excerpt] [Passage omitted] On the night of 6-7 April, the people and the National Army of Democratic Kampuchea [NADK] cooperated to fight in self-defense in order to defend their villages, houses, cattle, crops, and land. They fought against the invading forces and the war materiel that has been brought in to prepare for successive offensives in the area between Routes 69 and 68 and the area east of Route 68. Here are the preliminary results:

I. Liberation and destruction of positions:

1. The Banteay Chhma position was completely liberated and destroyed. Two big warehouses containing weapons and ammunition have been burning for five hours already. All the villages around Banteay Chhma have been liberated.

2. The big garrison (?at Soeng) and the Kouk Mon township have been liberated and destroyed—all the way from Beng and Kou to Rumchang townships—along with all the positions in the surrounding communes and villages. Two big warehouses at (?Banteay Soeng) were burning throughout the night, until 0900 on 7 April.

II. Liberation and [words indistinct] people:

1. Nearly 2,000 families—a total of over 90,000 people—have been liberated.

2. Eighty-nine villages have been liberated.

3. The people—who have been the victims of the war of aggression by the communist Vietnamese aggressors and their puppets for three years, particularly victims of the two-headed government and UNTAC [UN Transitional Authority in Cambodia] and of the burn- all-kill-all campaign of August 1993—have risen up and cooperated with the NADK. They have attacked the invading forces and enlisted as soldiers by the hundreds. The people are moving in throngs to meet the NADK. They have embraced the NADK with tears flowing to express their sentiment at meeting with them. It was as if they had been reborn.

III. Seizure of weapons:

1. According to preliminary reports, two T-54 tanks, a 37-mm antiaircraft gun, a 122-mm D-30 gun, a 100-mm gun, and a 120-mm gun were seized at (?Banteay Soeng);

2. A DK-82 gun, an 82-mm mortar, and a 12.7-mm gun were seized in Kouk Mon.

3. A DK-75, a DK-82, an 82-mm mortar, a 12.7-mm gun, a big central field radio, and so on were seized in Banteay Chhma.

4. A fully-stocked warehouse with assorted ammunition was seized, including AK's, AR-15's, B-40's, B-41's, grenades, 12.7-mm ammunition, and so on. The people are taking this ammunition out of the warehouse. A BM multiple rocket battery was also seized.

IV. Nhoek Bunchhai's [government general] villa was attacked, destroyed, and reduced to ashes. The people say they fed him for over 10 years, but he became a U.S. mercenary following the July 1993 merger of the Para soldiers and the communist puppet troops. He has been biting and cutting the throats of countless people. The people are looking for Nhoek Bunchhai to try him for his great crimes.

V. Our forces control all strategic roads. The people and the NADK are in control of all strategic roads and are waiting to ambush the invading forces' reinforcements.

On the morning of 7 April, two tanks left Samraong accompanied by 40 soldiers. When they were east of Tonle Sar, we ambushed them and forced them to retreat. Leaders of the communist Vietnamese puppets such as Nhoek Bunchhai and other Para leaders are shouting in panic. They shout: The United States, France, Australia, and Japan have gathered dollars to buy over 1,000 tonnes of weapons and ammunition from communist Vietnam and Russia so Nhoek Bunchhai and Dien Del can continue fueling the war against the NADK. Now the people and the NADK have taken everything. A quantity of this ammunition has been reduced to ashes.

They talked to one another in panic over the field radio, saying that this attack by the people and the NADK has affected Divisions 3, 9, 7, 8, 11, and 12.

The people shouted these insults back: You are all mercenaries waging war to kill the people. You have sold yourselves to foreigners to kill Cambodians. Countless people—the old, the young, men, and women—have been killed by warmongers. Villages, cattle, paddy, and rice have all vanished. You do not even spare baby diapers. You have undressed and raped hundreds of our daughters like animals. Each of our daughters was gang-raped to death. You bayonetted and pumped bullets into the girls after raping them. You are evil! You are Cambodians; how can you kill Cambodian people like this? Your blood is so dark! How similar your blood is to that of the black-tooth communist Vietnamese and the blood of communist Vietnamese puppets Hun Sen, Chea Sim, Sin Song, Sin Sen, and Sar Kheng!

The anger of the people will become as strong as a prairie and bush fire; nothing can stop it.

'Heavy Fighting' Reported at Preah Vihear

BK0804052194 Bangkok BANGKOK POST in English 8 Apr 94 p 8

[Text] Heavy fighting between Phnom Penh forces and the Khmer Rouge at Khao Preah Vihear on the Thai-Cambodian border continued for a second day yesterday.

Cambodian government soldiers moved to seize the ancient landmark from the Khmer Rouge this week.

More than 400 government soldiers supported by artillery and mortars, began to storm Khao Preah Vihear on Wednesday [6 April] to capture a Khmer Rouge stronghold on top of the ancient remains but they failed to gain control since the faction fought back with heavy gunfire.

The Phnom Penh forces had to back down and lay siege at the foot of the mountain.

Details of casualties are unavailable. Heavy shelling by government soldiers however, was believed to have caused some damage to Khao Preah Vihear itself.

During the clash, four artillery shells reportedly strayed across the border and landed near a Thai rangers' base in Kantharalak district but no one was injured.

The sound of gunfire was heard in Kantharalak district yesterday.

A Thai soldier yesterday said Thai forces were on alert and had reinforced para-military troopers near Khao Preah Vihear. The Suranari Task Force had prepared to fire back if more shells from the fighting landed in Thailand.

Antitank Missiles Seized in Siem Reap Province

BK0804105694 Phnom Penh AKP in English 1001 GMT 8 Apr 94

[Text] Phnom Penh AKP April 8—Four sets of anti-tank missile were seized in Siem Reap Province on April 5. Police said the four missiles known as "Bruss" were found in a boot of a taxi driving from Banteay Meanchey to Siem Reap. One man on board, suspected to be an owner of the missiles, was arrested when the police found the missiles at their checkpoint.

The taxi driver Yoeun Yang, 43, said the arrested man had ordered him to pick up a well-wrapped package, in which the missiles were found, at a place in Banteay Meanchey Province.

Besides the arrested man, there were one woman and two children on board.

Police said the four missiles were expected to be used for destroying tanks of the Regional Military Unit 4 stationed in Siem Reap Town.

Chea Sophat, the two-star police general, said he believed that the missiles, if not found, would have been used for not only destroying tanks but also for other purposes.

National Assembly Session Termed 'Work Failure'

BK0804083794 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 8 Apr 94 pp 1, 2

[Text] The second session of the first National Assembly opened on the morning of 5 April and closed cheerlessly at noon. According to those watching the situation, this was a work failure. They have compared this session to the opening session of the constituent assembly on 2 July 1993. This is because nothing of importance happened at this session, except that assembly members—some standing and some sitting—listened to the message from His Majesty King Norodom Sihanouk and a report by the National Assembly Standing Committee.

Sar Sa-at, a member of the Commission for Interior, National Defense, Investigation, and Suppression, admitted that this session was useless because one of the major items was withdrawn from the agenda. He believes, however, that there will be many major items at the next session relating to the debate and adoption of a number of bills the government is forwarding to the National Assembly. Sar Sa-at further said that because of differing views, this session seemed unimportant. It was legally correct, however, which is something necessary for the National Assembly.

What was termed a failure was the disagreement during adoption of the agenda on examining the validity of new people's representatives. The mistake of using improper words in the third item created a problem that caused the last two items to be withdrawn without hesitation by a number of assembly members. On this occasion, 41 were in favor of the items being withdrawn and 15 against; 44 abstained. There were 100 members present with 20 absentees.

A National Assembly official from FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] said: The withdrawal took place because there was no compromise. If there was a compromise along with the legal factor, a way out could have been found... [ellipsis as printed] What this official said seemed reasonable, based on what the National Assembly did earlier. It is still remembered that during the election of the National Assembly's second vice chairman, voting had to be done in four rounds. His Excellency Son Soubert was a candidate three times after failing to get support twice. Taking democracy into consideration, this is unacceptable! Compromise, however, is an important factor in undoing a hidden knot.

Be that as it may, the National Assembly was widely criticized by outsiders and by its own members for the loss of full democracy due to this compromise. The National Assembly was perhaps trying to answer this criticism at this session by not advocating compromise to solve the issue of the third item on the agenda. The National Assembly tried to adhere seriously to the law and democracy. It was noticed that the session was conducted solely on legal grounds.

Some have criticized the National Assembly Standing Committee and the government for the adjournment and unimportance of the session. The Standing Committee did not do its work properly and clearly. The government was late in forwarding bills to the National Assembly, which in turn caused problems for the National Assembly Standing Committee in organizing the agenda. One obvious fact, though, is this: The two major political parties, which have about the same number of people's representatives, did not have any intention of examining and adopting the issue of the validity of the new people's representatives during this session.

Some analysts hold that if the two parties were willing to find a way out on the issue of new people's representatives, it would not have been difficult. There could be some intrigues between the two political parties behind the shelving of this issue for a while, even for a short while.

A FUNCINPEC official said that the validity issue is a complex one. He refused to elaborate to our correspondent on what this complexity is. We know that the validity issue concerns 18 people's representatives—five from the Cambodian People's Party [CPP] and 13 from FUNCINPEC—who are to replace 18 people's representatives who are taking up public functions, which is incompatible with the role of people's representative.

There are hints that FUNCINPEC does not like two CPP people's representatives—namely, Prince Kromkhun Chakkrapong and Sin Song—because the two already renounced their people's representative status when UNTAC [UN Transitional Authority in Cambodia] was still in Cambodia. Furthermore, the case of Nguon Non, who is replacing Khin Yean, could also cause some problems. The same FUNCINPEC official also said that FUNCINPEC will support the inclusion of Nguon Non despite some difficulties.

Some analysts think that the inclusion of the new people's representatives could be done if the two parties make mutual concessions. Another noteworthy point is that FUNCINPEC may not want its men who were elected in the first place to leave the National Assembly.

Some clues have been uncovered that this is also connected with monetary benefit. It is known how big the salary of a people's representative is compared to that of ministers and provincial and municipal governors and deputy governors... [ellipsis as printed]

Whatever the reasons, we hold that the Constitution should be respected and the National Assembly Standing Committee ought to be courageous in its decision on this issue based on the law. Now that the two political parties think of themselves as democratic, they ought to be genuinely so.

Indonesia

Dutch Minister Praises Political Development

BK0804022094 Jakarta ANTARA in English 1501 GMT 7 Apr 94

[Text] Jakarta, Apr 7 (ANTARA)—Dutch Foreign Minister P.H. Kooijmans during his visit in Indonesia gained the impression that much progress has been made in the country's political development, particularly where political openness is concerned, an Indonesian human rights official said.

Marzuki Darusman, member of the National Commission on Human Rights, said Kooijmans spoke about Indonesia's political development at an informal meeting with representatives of a number of Indonesian non-governmental organizations (NGOs) in Jakarta Thursday.

"There has been a wind of change in Indonesia which could be clearly observed. It is certainly a good sign for the country's future," Darusman quoted Kooijmans as saying.

According to Kooijmans a change for the better was noticeable in the country's political atmosphere compared to the time when he visited Indonesia a few years ago as a representative of the UN secretary general, Darusman said.

Kooijmans arrived in Jakarta on Monday as a member of Dutch Prime Minister Ruud Lubbers' party for a four-day state visit.

Lubbers had meanwhile suddenly cut short his visit by one day and left Jakarta on Wednesday.

Referring to Lubbers' shortened visit, Kooijmans said at the meeting with the Indonesian NGOs, the Dutch prime minister had to return home sooner than planned because of an emergency stemming from a conflict in the Dutch Parliament.

Kooijmans expressed the hope Indonesian NGOs would be able to see to it that the wind of change in Indonesia's political life would benefit the efforts to create better human rights conditions, Darusman said.

The Dutch minister had concluded there was more political openness in Indonesia among other things from the "more democratic" way in which the Indonesian press was reporting events, according to Darusman.

UK, Norway Urged Not To Increase Oil Production

BK0804021394 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 7 Apr 94

[Text] Indonesia has urged Britain and Norway not to increase oil production from the North Sea oil fields because this will result in a drop in oil prices. Indonesia has also called on OPEC Secretary General Subroto to contact officials of the two countries about the matter. Mining and Energy Minister I.B. Sujana told reporters after meeting President Suharto at the Bina Graha Presidential Office in Jakarta this morning that North Sea oil production has now reached 5 million barrels per day.

Faisal Abda'u, president director of the State Oil and Gas Company, who accompanied Minister I.B. Sujana during the meeting with the head of state, said the prices of Indonesian oil during the 1993-94 fiscal year averaged U.S. $16.42 per barrel. Indonesia produces about 1.3 million barrels of oil per day in accordance with the OPEC quota.

Soft Loan Agreement Signed With Britain

BK0804100994 Jakarta ANTARA in English 0825 GMT 8 Apr 94

[Excerpts] Jakarta, Apr 8 (ANTARA)—Britain has signed up an agreement to provide a soft loan of 80 million pounds (250 billion rupiah) to help finance some of Indonesia's projects on transportation and environment.

Its fourth financial assistance to Indonesia since 1986, the agreement was both signed by the British Commonwealth State and Foreign Minister Alastair Goodland and Indonesia's Foreign Affairs Minister Ali Alatas on Thursday.

"Britain has been involved in Indonesian projects since 1986 with the total funding of some 224 million pounds," Goodland said, adding that all of it were in the form of soft-loans".

According to the agreement, the 80 million pound will finance the building of a two-way railway system connecting Cikampek and Cirebon, a technological and industrial pollution research centre, and a traffic regulation system in Medan, North Sumatera.

Some funds will also be used to finance the installation of oceanic navigation equipments to further develop basic scientific studies in the field, as well as some projects which involve the environment and transportation.

Goodland noted that Britain has always monitored the development of its funded projects.

"I am satisfied with the implementation of the projects here. It does not only help economic growth but promotes the British goods and services as well," he added. [passage omitted]

Meanwhile, Minister Alatas said that the projects were chosen to prove that the two countries are committed to developments which directly have an impact on the public.

He expressed the hope the developments will improve Indonesia human resources and its products, as well as the continuity of the resource development.

Laos

Thai King, Queen Make Official Visit

Arrive in Vientiane

BK0804105494 Vientiane KPL in English 0909 GMT 8 Apr 94

[Excerpt] Vientiane, April 8 (KPL)—His Majesty King Phumiphon Adunyadet of Thailand and Her Majesty Queen Sirikit, arrived here today for an official visit to Lao PDR [Lao People's Democratic Republic] at the invitation of Lao President Nouhak Phoumsavan.

An official ceremony to welcome their majesties the king and queen of Thailand with their party including Her Royal Highness Princess Sirinthon took place at the National Assembly.

This morning the king and the queen attended a ceremony of presenting the friendship bridge across the Mekong River. The handover ceremony was performed by Australian Prime Minister Paul Keating, who paid an official visit to Laos on April 5-6. This was part of the first ever visit to Laos by the King of Thailand. [passage omitted on biography of Thai king]

Editorial Welcomes King's Visit

BK0804094594 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 8 Apr 94

[PASASON 8 Apr Editorial: "Wholeheartedly Welcome His Majesty King Phumiphon Adunyadet of the Kingdom of Thailand"]

[Text] Today, all Lao people nationwide together with the residents of Vientiane, are elated and highly honored at the opportunity to welcome His Majesty King Phumiphon Adunyadet and Her Majesty Queen Sirikit of the Kingdom of Thailand, who are scheduled to pay their first official, friendly visit to the Lao People's Democratic Republic [LPDR] from 8 to 9 April at an invitation of LPDR President His Excellency [H.E.] Nouhak Phoumsavan. During the visit, His Majesty King Phumiphon Adunyadet, together with H.E. LPDR President Nouhak Phoumsavan, will jointly preside over the inauguration ceremony of the Lao-Thai friendship bridge across the Mekong river. The bridge, built with gratis aid from the Australian Government and people, will be handed over as a gift to the LPDR and the Kingdom of Thailand. His majesty the king of Thailand will also meet with our Lao leaders and visit some of our establishments of economic and cultural significance.

The visit by His Majesty King Phumiphon Adunyadet and Her Majesty Queen Sirikit on this occasion is a very significant event in the history of Lao-Thai relations. It is an important milestone in the new era of bilateral ties—an era of mutual understanding and sincerity serving as the basis for cooperation in building and developing the countries and raising the standard of living and prosperity of the two peoples of Laos and Thailand.

Laos and Thailand are neighboring countries bound to one another by race since ancient times. They have maintained similar customs, religions, cultures, and languages. Their peoples have maintained neighborly, fraternal relations, and have together earned their living in a civilized way in this part of the world for a long time. With time, Laos and Thailand developed as independent countries. In the history of their ties, though there had been some disturbing incidents at certain periods, there were many other times when the two nations enjoyed friendship, mutual assistance, and solidarity in defending their respective countries. Regarding this, the late President Kaysone Phomvihan said in his speech at a dinner hosted by His Majesty King Phumiphon Adunyadet in his honor during his visit to the Kingdom of Thailand in early 1992: Should we only uphold the spirit of fraternity and neighborliness, refrain from being partial or prejudiced against one another, and together adhere to Buddhist ethics and the five principles of peaceful coexistence, it is believed that we can settle each and every problem that arises to disrupt Lao-Thai relations. The facts about Lao-Thai relations in the recent past have clearly proved these words. As a result, steps of developments in many fields have been achieved in bilteral ties.

All Lao people wish His Majesty King Phumiphon Adunyadet and Her Majesty Queen Sirikit of the Kingdom of Thailand glorious success in the official, friendly visit to the LPDR. It is certain that the success of the visit will worthily contribute to promoting and expanding, ever more extensively and fruitfully, the relations between the two countries to bring about benefits to the two peoples of Laos and Thailand as well as the interest of peace, friendship, and cooperation in this region and the world.

Sidney Transfers Border Facility to Government

BK0704113394 Vientiane KPL in English 0828 GMT 7 Apr 94

[Text] Vientiane, April 7 (KPL)—Australian Prime Minister Paul Keating, yesterday morning handed over to Lao Prime Minister Khamtai Siphandon the border control building on the Lao side of the friendship bridge.

Mr. Vang Lattanavong, Lao ambassador to Australia and Mr. Michael Mann, Australian ambassador to Laos were among high ranking officials from both sides at the solemn hand-over ceremony.

In his speech, Prime Minister Paul Keating said that speaking on behalf of the Australian Government and people, he was pleased to hand over the border control building to the Lao Government and people. He referred to the bridge as a door opening up to the development in the country and the adjacent facilities were regarded as the key of the development door. The building houses immigration, customs, police, banks and postal offices. He said that the border control building and the Mekong bridge itself could best serve to testify, in the concrete term, the fruitful Australian-Lao cooperation and friendship. Mr. Paul Keating congratulated both Australian and Lao technicians and workers whose high sense of responsibility fullfilled the construction targets in terms of time and budget. Australian prime minister touched upon the significance of the Australian-Lao agreement for the promotion and protection of investment which would help establish confidence for potential Australian investors.

Prime Minister Khamtai Siphandon of Laos in his return address, speaking on behalf of the Lao people, said that the facilities were built with Australian grant. Apart from the Mekong bridge, the border control building, the gifts of the Australian Government and people to Laos, would facilitate the work of the Lao personnel.

Mr. Khamtai Siphandon expressed thanks once again to the Australian side for its generosity and good intention. He said that the Australian aid projects for Laos were highly appreciated. They were the symbol for the ever increasing traditional relations of friendship the two countries had enjoyed. The Lao prime minister attached great importance to the Australian aid which had instrumentally helped building the country's economic infrastructure and helped free Laos from a state of economic difficulties.

After delivering their speeches, both prime ministers officially lifted the veil off the building foundation plate.

Mr. Paul Keating and his delegation left Laos on board of a special plane for an official visit to the Kingdom of Thailand. The Australian prime minister paid a two-day official visit to the Lao PDR [Lao People's Democratic Republic] on April 5 and 6.

Media Reports on Khamtai, Keating Statements

BK0704113994 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 6 Apr 94

[Text] His Excellency [H.E.] Paul Keating, prime minister of the Commonwealth of Australia, met with H.E. Prime Minister Khamtai Siphandon at the Prime Minister's Office in Vientiane at 0900 today. On this occasion, H.E. Prime Minister Khamtai Siphandon expressed pleasure over and highly appraised the official, friendly visit to the Lao People's Democratic Republic [LPDR] of H.E. Prime Minister Paul Keating. He said the visit is an event of historic significance in the friendly relations and good cooperation between Laos and Australia.

H.E. Khamtai expressed the hope that his consultative meeting and exchange of views with his excellency the Australian prime minister will enable both sides to understand ever more profoundly the internal situation and policies of each country. He said the understanding will serve as a firm basis for effective enhancement of cooperation for the benefit of the peoples of the two countries, and that it will also contribute to common trends for the establishment and promotion of peace, stability, friendship, and cooperation among various countries in the region and the rest of the world. H.E. Khamtai also informed his excellency the Australian prime minister about certain problems in the socioeconomic development of the LPDR which is entering the eighth year of the implementation of comprehensive restructuring. He said: Through the implementation of the restructuring policy, the national economy has been progressively developed; the average rate of economic growth per year is as high as 6.58 percent; the prices of commodities and the kip currency are stable; the living conditions and cultural life of the people have explicitly improved; and the assistance and cooperation given to Laos by foreign countries and international organizations have also increased. There are now as many as 410 direct investment projects valued at $580 million by foreign countries in Laos, excluding investment in large-scale hydroelectric projects.

Regarding Lao-Australian relations, H.E. Prime Minister Khamtai Siphandon noted that efforts have been made by the two countries to promote relations in various fields. He pointed out that as of now, bilateral relations between Laos and Australia have expanded ever more extensively and rapidly. H.E. Khamtai expressed gratitude to the Australian Government and people for their precious assistance given to the Lao Government and people in carrying out the socioeconomic development cause in the LPDR, in particular in building the communications infrastructure as well as training technicians of various branches and in community development. H.E. Khamtai reiterated that the LPDR is ready to increase cooperation with Australia in the economic, cultural, scientific, and technical fields. He also expressed the hope that the Australian Government will continue to support and encourage more and more Australian businessmen to invest in the LPDR.

Replying, H.E. Prime Minister Keating expressed thanks to the Government and people of Laos for the warm welcome accorded him and his delegation during the visit. H.E. Keating noted: Australia and Laos have maintained diplomatic relations for more than 40 years. It can be assured today about the great potential of the friendship. We are two different countries which have endured similar problems, for example problems in the areas of trade and investment, with a view to making our people enjoy security and prosperity. The Australian Government pledges to support Laos in carrying out its reform to achieve development in the same way other countries do. Regarding implementation of reform, the LPDR has put into force the law on investment, a law which guarantees security for foreign investors. Various Australian companies are now ready to invest in Laos.

In conclusion, the Australian prime minister said: We can contribute to the construction and development of Laos, and on the basis of this spirit the Australian Government has decided to render aid to Laos for the construction of this bridge across the Mekong River. In addition, beginning in 1994, the Australian Government has decided to set up a four-year assistance and cooperation project for Laos. This project costs more than 40 million Australian dollars. Besides, Australia has given Laos gratis aid in the form of food worth one million Australian dollars, and another one million dollars of gratis aid to preserve the environment in the LPDR.

The meeting lasted one hour. Later, H.E. Prime Minister Khamtai Siphandon and H.E. Prime Minister Paul Keating attended the signing ceremony of a Lao-Australian agreement on investment promotion and protection, and a memorandum of understanding on the development project of the Se Kaman hyrdoelectric power in Attopeu Province and the Namcha 1 and 2 hydroelectric works in Vientiane Province. Signing the agreement and the memorandum for the Lao side was Leun Sombounkhan, vice chairman of the Planning and Cooperation Committee; and signing for the Australian side was Michael Mann, ambassador extraordinary and plenipotentiary of Australia to Laos. Also signing the memorandum on the Australian side was Peter Ray, chairman of the Hag Enterprise Corporation Company of Australia. The agreement on investment promotion and protection between Laos and Australia will serve a significant basis in the legal aspect for the two countries to march forward to a new level which can bring about ever greater benefits to the peoples of the two countries. It will also serve as a basis which creates confidence for Australian investors to invest in the LPDR.

Siphandon Receives SRV Deputy Prime Minister

BK0704120594 Vientiane KPL in English 0836 GMT 7 Apr 94

[Text] Vientiane, April 7 (KPL)—Prime Minister of the Lao PDR [Lao People's Democratic Republic] Khamtai Siphandon, on April 5, received at Prime Minister's Office Mr. Phan Van Khai, president of the Vietnamese-Lao Cooperation Committee on official visit here.

On this occasion Mr. Phan Van Khai informed Prime Minister Khamtai Siphandon about the result of the 16th session of the Lao and Vietnamese cooperation committees and expressed thanks for the warm reception given by Prime Minister Khamtai Siphandon.

Vietnamese vice prime minister highly valued the many sided successes of the Lao people in the implementation of the renovation policy under the able leadership of the Lao People's Revolutionary Party currently headed by President Khamtai Siphandon. He also wished the fraternal Lao people still greater success.

Prime Minister Khamtai Siphandon, for his part, highly valued the visit of the high level delegation of Vietnam, considering it as a contribution to the development and strengthening of the friendly relations, special solidarity and all-round cooperation between the two nations. The Lao prime minister reaffirmed that the Lao PDR and the SR [Socialist Republic] of Vietnam enjoyed a long standing friendly relation and that the Vietnamese party, government and people would still provide assistance and cooperation to the Lao PDR.

Economic Agreements Signed With Vietnam

BK0804013794 Hanoi VNA in English 1425 GMT 7 Apr 94

[Text] Hanoi VNA April 7—Documents on economic, cultural and scientific and technological cooperation between Vietnam and Laos was signed in Vientiane this morning.

These documents include an agreement on economic, cultural, scientific and technological cooperation for 1994 between the Vietnamese and Lao Government, an agreement on general mechanism of economic, cultural, scientific and technological cooperation between the two governments and an agreement relating to sending and receiving Vietnamese experts to work in Laos.

The signing took place at the end of the 16th session of the Vietnam-Laos intergovernmental commission on economic, cultural, scientific and technological cooperation opened in Vientiane on April 4.

During its stay in Laos, the Vietnamese delegation to the meeting headed by Vice Prime Minister Phan Van Khai visited Luang Prabang Province. This afternoon the Vietnamese delegation left Vientiane for home.

Philippines

Ramos Creates Task Force on Waste Management

BK0804041494 Manila MANILA STANDARD in English 3 Apr 94 p 5

[By Joem H. Macaspac]

[Text] President Ramos took a direct hand in his administration's waste management program yesterday and created a top-level committee composed of six Cabinet secretaries to ensure the protection of the environment and the proper disposal of waste materials.

At the same time, the Chief Executive disclosed that the country received a total of $32.71 million worth of assistance from the European Community (EC) for 1994.

The money will be used on projects that will protect the environment and preserve the country's natural resources.

The president's move was contained in Memorandum Circular (MC) No. 88 which reconstituted the Presidential Task Force on Waste Management to ensure effective implementation of its various programs and projects.

The new memorandum amended MC 39-A issued by then, President Corazon C. Aquino on 19 January 1988 which designated the Presidential Management Staff as the task force coordinator.

Under MC 88, President Ramos designated Environment and Natural Resources Secretary Angel Alcala as chairman, with Public Works and Highways Secretary Gregorio Vigilar, Health Secretary Juan Flavier, Economic Planning Secretary Cielito Habito, Trade Secretary Rizalino Navarro and Interior and Local Government Secretary Rafael Alunan III as members.

The reconstituted task force, the president said, will have the following modified functions and responsibilities:

—Ensure the implementation of the Integrated National Solid Waste Management Systems Framework as approved for adoption during the Cabinet meeting on 19 October 1993;
—Ensure the continuous coordination and compliance by concerned agencies on the matter as well as on the various policies and presidential directives issued on waste management;
—Formulate and recommend to the president all policies pertinent to the framework plan;
—Serve as policy and management board for the Project Management Office on Solid Waste Management created under Administrative Order No. 90;
—Source the financial and technical requirements of the plan from appropriate entities;
—Create the necessary Technical Working Groups/ Committees to assist the task force in the plan's implementation;
—Submit quarterly reports to the president; and
—Perform other functions as maybe directed by the president.

President Ramos tasked the DENR [Department of Environment and Natural Resources] to provide technical and administrative support to the task force.

In a report to the president, National Economic and Development Authority (NEDA) Director General Cielito Habito said the EC assistance will go to the preservation of natural parks, integrated protected areas and industrial pollution abatement.

Aside from boosting the government's environmental protection program, the EC assistance for 1994 will enhance institutional linkages, investment promotion, agrarian reform implementation and coconut processing, Habito reported.

The Chief Executive was also informed that a high-level business conference is expected to be held in Europe in September or October this year.

"This will explore possible business opportunities between the Philippines and EC countries. Hopefully, the conference will bear fruitful results in upgrading Philippine-EC trade relations," Habito said.

The EC infused a total of $75.37 million in the country last year which mostly financed rural development projects in Western Samar, Catanduanes, Aurora, Guimaras, Biliran, Bantayan, the Camotes and Pitogo.

The private sector also received grant financing for a packaging center and assistance to the computer software industry, which reflected greater private sector access to official development assistance," Habito said.

Habito also informed the president that the EC has expressed interest in initiating regular high level consultations to review pipeline projects as well as its ongoing projects.

The first consultation might be held this May, he said.

BoI Reports 1993 Investment Dropped by 5.6%

BK0804060894 Manila BUSINESS WORLD in English 31 Mar 94 p 14

[Text] The Board of Investments (BoI) reported over the weekend a 5.6 percent drop in investment last year, from P96.6 billion [Philippine pesos] in 1992 to P94.086 billion in 1993.

The figure represented the total cost of investments in 2,000 projects approved by the BoI.

"But it is not too bad," the BoI said, "given the power generators, and iron and steel investment projects during the year were to be excluded, the total project cost of investments in 1993 would amount to P43.2 billion."

This was 62.5 percent higher than the corresponding amount of P26.6 billion in 1992.

Specifically, the BoI said investments in energy-related and power generator projects rose from P19.4 billion in 1992 to P30.4 billion in 1993, or an increase of 56.7 percent.

Investments in iron and steel projects dropped from P53.8 billion in 1992 to P43.2 billion in 1993, or a hefty growth of 62.5 percent.

Reports Given on Balance of Payment, Investment

BK0804062194 Manila BUSINESS WORLD in English 31 Mar 94 p 10

[By Almira R. Hernandez]

[Text] The country's overall balance of payment (BOP) position worsened during the first nine months last year, registering a deficit of $843 million represented a turnaround from a $158-million surplus during the comparable period in 1992.

Based on the latest Bangko Sentral ng Pilipinas (BSP) statistics, the improved performance in capital account failed to compensate for the widened deficit in the aggregate current account .

As of September last year, total capital account surplus amounted to $1.033 billion, more than double the $454 million recorded during the same period in 1992. Specifically, net foreign investment reached $401 million, 45.6 percent less than the year ago level.

This developed as more Filipinos invested their funds in different countries abroad as a result of the foreign exchange liberalization program. Under this program, prior approval of the BSP is no longer needed when Filipinos invest abroad. This scheme further provides that outward investments would be less than $1 million per investor a year if funded by resources from banks.

Thus, with such deregulation, outward investment jumped to $1.802 billion, more than four times the $368 million posted in the previous year.

This marked increase in outward investments offset the hefty 61.5 percent hike to $2.203 billion in the inflow of foreign funds to the country. These inflow comprised mostly of portfolio investments, which rose from $366 million in 1992 to $1.532 billion during the period in review.

Likewise, the medium- and long-term account posted a reversal to a surplus of $1.252 billion from a negative balance of $204 million as of September 1992. This positive performance was brought about as loan availments grew 3.6 percent from $3.033 billion to $3.141 billion.

Furthermore, loan repayments to foreign creditors drastically dropped to $1.889 billion, 41.6 percent lower than the previous year's outflows.

Meanwhile, the current account balance registered a $2.294-billion deficit during the first nine months of 1993. This deficit further expanded from the $905-million deficit recorded during the same period in the earlier year.

The continued widening of this component can be primarily traced to the growing merchandise trade gap. Despite the improved performance of the export sector, it was not able to outpace imports, thus, swelling the deficit further.

Exports

During the period in review, exports reached $8.119 billion, an additional $892 million or 12.3 percent from $7.227 billion registered in the same period in 1992. However, imports likewise rose 19.2 percent to $12.644 billion from the $10.608 billion recorded previously.

As a result, the balance of trade deficit widened 33.8 percent to $4.525 billion during the first nine months last year from the $3.381-billion shortfall in the same period in 1992.

In contrast, the service account had a net balance of $1.691-billion surplus. This developed as the increased total receipts compensated for the decline in the payments for non-merchandise trade.

In particular, total receipts from the service account rose 2.9 percent to $5.54 billion from $5.382 billion. This was largely traced to the 4 percent increase in personal income from abroad to $1.703 billion. This made up the bulk of total earnings from services rendered.

Meanwhile, the country paid an aggregate $3.849 billion for non-merchandise trade during the period in review, $325 million less than the payments for the first nine months in 1992.

Thailand

Minister Meets With U.S. Envoy on Labor Issue

BK0804051294 Bangkok BANGKOK POST in English 8 Apr 94 p 20

[Text] The United States is satisfied with Thailand's consistent efforts to solve the labour problem, notably that of child labour, in the country, Labour and Social Welfare Minister Phaithun Kaeothong claimed on Wednesday.

He said the message was conveyed to him during a courtesy call by US Ambassador David Lambertson.

The ambassador met him to discuss developments in Thailand's efforts to solve the problem, particularly as it affected children, women and work safety.

The labour issue was used by the US as a trade barrier, Mr Phaithun said.

He said the Thai Government had brought clauses on child labour up to international standards with the banning of any child under 13 from the work force.

The law also specified the type of work children could or could not do, he said.

Many revolutionary decrees were lifted and the state enterprise labour law was amended to allow state employees to set up unions, he said.

Cambodian Accusations of KR Support Viewed

Prasong: Not Good for Relations

BK0704151194 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 7 Apr 94

[Text] The Foreign Ministry is waiting for facts from the Cambodian prime ministers concerning the accusation by the Cambodian foreign minister about Thailand supporting the Khmer Rouge [KR] .

Foreign Minister Squadron Leader Prasong Sunsiri was asked by news reporters about Cambodian Foreign Minister Prince Norodom Sirivut's charge, which he made when he was in Malaysia that Thailand supported the Khmer Rouge and that there are pictures substantiating the charge. Prasong told reporters that he had instructed the Thai ambassador in Phnom Penh to seek a meeting with the Cambodian prime ministers in order to get facts from them so the Thai Government could take a proper course of action. Prasong said he did not understand why Prince Norodom Sirivut did not tell Thailand directly when he visited Thailand last time.

[Begin recording] [Prasong, in progress] ... this is not good for our relations—existing and future relations. I will wait for information from the ambassador.

[Unidentified reporter] Prince Sirivut said he brought up this matter when he was in Malaysia. He said he wanted Malaysia to convey his concern to Thailand as Malaysia is an ASEAN friend of Thailand.

[Prasong] Why didn't he discuss it with us when he was in Thailand? We would like to ask him this question? [end recording]

Newspaper Article Comments

BK0804050494 Bangkok THE NATION in English 8 Apr 94 p A11

[Article by Caoimhin O. Bearain: "P. Penh's smoking photos turn out to be hot air"]

[Text] Even by the usual shaky standards of Phnom Penh-Bangkok relations, Cambodia's first Prime Minister Prince Norodom Ranariddh dropped a diplomatic hydrogen bomb when he said that the notorious Khmer Rouge [KR] boss, Pol Pot, had escaped the government's recent offensive on Pailin by driving into Thailand.

When faced with accusations of support or assistance to the Khmer Rouge, Bangkok's indignant response has always been to dismiss them as groundless and to challenge the accuser to provide proof.

Prince Ranariddh, speaking to reporters during a break in Tuesday's first meeting of the second session of the country's parliament, didn't brandish any proof on the spot but said he had photos that Thailand would not be too happy about.

The prince's photos allegedly show Pol Pot fleeing Pailin in a convoy of cars and trucks.

While this did not immediately seem like damning and conclusive evidence of Thai collusion, the Prince said it was the escape route that was the giveaway—a smooth tarmac road.

"Cambodia does not have such roads," he said.

Later on Tuesday, the prince denied he had photos on state-run television and jokingly tried to down-play the whole affair.

The prince said that if he had such photos, he would have sold them. "The Japanese press said they would give a million dollars for photos of Pol Pot."

In Thailand, meanwhile, the allegations were creating predictable fallout, but given their high-level origin, the Thai response was tempered.

"Groundless," and potentially destructive to Thailand's image, said army spokesman Lieutenant General Anuson Kritsana-seni.

The prince's cabinet issued a clarification stating the prince had said that he had photos of "Pol Pot's men travelling on a road that we do not have."

But three of the Cambodian reporters who were present when the prince spoke told THE NATION they stood by the original translation of the prince's remarks although they added the prince was speaking quickly and digressing a lot.

Listening to a tape-recording of the comments, a senior Cambodian news editor expressed his surprise: "Oh my God, he really did say it."

One of the prince's advisors, however, said he used the 'Pol Pot' in a commonly used generic manner.

Prince Ranariddh's reference to the photos did not come in an isolated outburst.

The prince strongly criticized Thailand for its repatriating Khmer Rouge refugees, who had fled into Thailand from Pailin, back into guerrilla-controlled zones.

The move had already drawn angry words from Foreign Minister Prince Norodom Sirivut.

Despite the joint communique signed by the prince, fellow co-premier Hun Sen, and Thai Prime Minister Chuan Likphai which reaffirms Thailand's recognition of the royal government, the prince once again called on Thailand to clarify whether Bangkok supported the guerrillas or the government.

Referring to the photos, a government official said it may have been a genuine slip of the tongue or the prince may have been using the advance-retreat style of verbal politics, which his father King Norodom Sihanouk is famous for.

The prince made the comments to perhaps put the limelight on Thai-Khmer Rouge connections and then denied the comments for diplomatic damage control, the officials said.

If that was the intention it was rather poorly or strategically co-ordinated because once Prince Ranariddh backed off, Foreign Minister Prince Sirivut entered the fray.

Speaking in Kuala Lumpur Wednesday, Prince Sirivut accused the Thais of playing a double game".

Diplomats here said the Thai government is probably sincere in recognizing Phnom Penh and wishing to cut off links with the recalcitrant Khmer Rouge faction but he questions whether Bangkok's sway extends all the way along the border, large tracts of which are under martial law.

The foreign minister reflected this attitude when he asked whether the Thai government and Thai army were "speaking the same language."

One Western diplomat said he thought the Thais were not getting fair deal as the Cambodian government portrays the Khmer Rouge as outlaws and expects others to act in a similar way but at the same time the government allows the radical faction to maintain a legitimate presence in Phnom Penh—the Khmer Rouge have an office in the grounds of the city's royal palace where officials pour through the local media looking for tales of corruption in high places which they then fax to their jungle colleagues who use the information in anti-government diatribes on the guerrillas' clandestine radio.

They noted that this latest diplomatic tempest blew up just after the Thais brought the Phnom Penh press corps on a three-day all-expenses-paid visit to border areas in an attempt to lay to rest rumours and allegations of Thai support for the Khmer Rouge. The trip, however, got off to an ominous start when the army chief of the psychological operations [psy-ops] division pointed to a map to show the various posts and checkpoints on the itenerary.

The Map, which was just a sketch had Thailand written on one side of the frontier and Democratic Kampuchea on the other. Democratic Kampuchea was the name given to Cambodia by the Khmer Rouge during their 1975-79 reign of terror and is still the faction's official title.

Since the Khmer Rouge were ousted from power by a Vietnamese invasion, the country has been called the People's Republic of Kampuchea, the State of Cambodia and now the Kingdom of Cambodia.

When a reporter queried the blunder on the map the officer looked puzzled.

An official from the embassy in Phnom Penh was seen to cringe as the psy-ops officer was updated by his colleagues.

The border trip itself proved inconclusive as, in keeping with a frontier, there were two sides to most of the stories told.

Paper Hails Opening of Mekong Friendship Bridge

BK0804041694 Bangkok BANGKOK POST in English 8 Apr 94 p 4

[Editorial: "Bridging decades of mutual mistrust"]

[Text] Today marks an important milestone in the long history of relations between Thailand and Laos. The Thai-Lao Friendship Bridge, which was conceived more than three decades ago and whose construction was funded by Australia, will be formally opened today in a ceremony to be jointly presided over by Their Majesties the King and Queen and Laotian President Nouhak Phoumsavan and Mrs Phoumsavan. His Majesty will also take this auspicious opportunity to visit Laos—his first foreign visit in almost 30 years—and to inaugurate a Royally-sponsored agricultural centre.

His Majesty's visit to Laos today shows the importance the Thai monarchy attaches to relations between Thailand and its landlocked neighbour which, in most of the past two decades, have been marred by suspicion, misunderstanding and conflicts which, at times, have turned violent and resulted in bloodshed on both sides.

The opening of the bridge will certainly facilitate communication and transport links between Thailand and Laos. It will also improve contacts between Thai and Lao peoples who share several cultural and ethnic similarities. Foreign visitors will also have a better chance to explore the pristine Laotian environment and traditional cultures and experience the friendliness and gentleness of the Lao people.

The friendship bridge symbolises the cooperation between Thailand, Laos and Australia which funded the bridge construction. It also stands as testimony that, despite political ideological differences, countries can overcome suspicions and work together for their mutual benefits if they are genuinely sincere enough and willing to set aside their mutual distrust.

But it would be totally unrealistic to believe that the first bridge across the mighty Mekong River will suddenly bring to an end all the problems that have long existed between Thailand and Laos. It would also be self-deceiving to expect the two countries to suddenly bury the hatchet, embrace each other affectionately and walk hand-in-hand together towards economic prosperity.

Bangkok and Vientiane need to hold talks on a regular basis to settle some outstanding problems which still stand as an obstacle to the improvement of relations between the two neighbouring countries. One sticky problem is the Laotian resistance movement. Vientiane has always harboured the suspicion that Bangkok is clandestinely giving support and asylum to the resistance rebels, several of whom are suspected of having taken refuge in refugee camps in Thailand. However when Thailand suggested that Laos take back all the Laotian refugees in order to remove suspicion, this was rejected by Vientiane, claiming it is not in a financial position to accept them all.

Endowed with abundant natural sources, Laos is an ideal source of energy and raw materials for Thai industries. But Thai businessmen who wish to invest in Laos must tread a careful path and must not repeat the exploitative business practices employed by their predecessors who were branded as "ugly" Thais. The days when Thai businessmen could plunder at will and exploit Laos' natural wealth are over. Business deals should be done in a mutually beneficial manner.

The opening of the Friendship Bridge should usher in a new era of cooperation, friendship and relations between the two neighbouring countries which are based on the principle of respect of sovereignty and independence, mutual benefit and trust. And to achieve these goals, a lot has to be done by both sides earnestly and sincerely. The task will prove to be more difficult—yet not insurmountable—than just building a bridge.

Article Outlines Lao Economic Prospects

BK0704150694 Bangkok PRACHACHAT THURAKIT in Thai 7-9 Apr 94 pp 1, 4, 17

[Article: "Laos... The Gold Mine on the Mekong River's Bank"]

[Summary] "Somphong Mongkhonvilai, vice chairman of the Laos Commission for Cooperation and Planning, confirmed that the LPDR [Lao People's Democratic Republic] is quite rich in natural resources compared to other countries in this region. At present, forests cover 47 percent of the total area of the country. Geographically speaking, Laos can build as many as 18 hydroelectric dams with a combined production of electricity of 14,000 megawatts. Forty percent of the water in the Mekong River comes from Lao territory." French geologists have confirmed that huge deposits of over 10 precious minerals were found in different parts of the country.

Dr. Wiraphong Ramangkun, former economic advisor to the Lao Government and secretary of the Thai-Lao Friendship Association, disclosed that the lignite deposit discovered in the area of Hong Sa Special Zone "is three times larger than that of Thailand's Mae Mo mine and sufficient for electricity production for up to 60 years"

Moreover, zinc, tungsten, and gypsum can also be found in large quantities in Luang Namtha, Luang Prabang, and Xieng Khwang Provinces while blue sapphire is also plentiful in Bokeo Province. Phadaeng Industry Company of Thailand reported the discovery of additional huge deposits of zinc and other minerals in southern Laos, while a French oil exploration company is considering the commercial viability of tapping the country's petroleum resources.

"Speaking about the advantage of Laos' geographic location, Somnouk Khaiy-gnavong, deputy secretary general of the Lao National Trade and Industries Council and former director general of Laos' National Economic and Social Development Planning Department, said Laos shares common borders with five countries namely Thailand, China, Burma, Vietnam, and Cambodia. Therefore, it can serve well as a trade center for this region."

Laos' first four-year economic development, covering the period from 1981 to 1985 was designed to heal the wounds of war. The second economic development plan, 1986 to 1990, concentrated on promoting the free trade system and establishing a strong currency. The year 1989 saw bright economic prospects as a result of the influx of foreign investment. The current third development plan, according to Somphong Mongkhonvilai, emphasizes the endeavors to tap and fully exploit the country's natural resources and bring about self-sufficiency to Laos. Under this development plan, 1991-1995, Laos will find ways to attract more foreign investors and promote production of goods for domestic consumption to alleviate the country's dependence on imports.

"The drafting of the fourth economic development plan (1996-2000) is complete. The blueprint is currently under scrutiny by the National Assembly. The major contents are likely to be left untouched. The plan must pass through the National Assembly before its promulgation."

Somnouk Khai-gnavong, also a member of the committee in charge of drafting the development plan, revealed that "the fourth plan opens the door wider because the Lao Government's objective is to turn the country into the energy and free trade center of the region. The LPDR will use Singapore as a good example in doing trade."

"Under this development plan, Laos will divide the country into five development zones. The northern region with Xieng Khwang Province as its center will emphasize animal husbandry. The central region including Vientiane Municipality will concentrate on tourism and industrial development. Khammouane Province will stress electricity production and processing industries while the two southern provinces—Savannakhet and Champassak—will pursue agricultural development and trade."

Moreover, the economic development programs for the northern region comprising Bokeo, Luang Namtha, Luang Prabang, Oudomsai, and Phong Saly are also designed to be compatible with the Northern Quadrangle Economic Development Scheme. Bokeo, Phong Saly, and Luang Namtha are classifed as trade zones, whereas Luang Prabang and Oudomsai will become a special zone for tourism and mining industry.

Following the opening of the Thai-Lao Friendship Bridge, Vientiane Municipality will be turned into a trade and investment center. A cultural and arts center inside the municipality will help promote tourism. A business area will be located in Tha Naleng near the bridge. The industrial zone will be in Saithani District along Road No. 13 from kilometer markers 18 to 27. The industrial area in the southern region will be located at Nakai in Khamouan Province because of its proximity to the seaport in Vietnam.

Savannakhet Province will become the free port town, a transit point for the transportation of goods from Danang port to Thailand and vice versa. Savannakhet's trade system will be similar to those of other free port towns elsewhere. There will be tax-free shops, wholesalers, and retailers. Champassak Province, after the construction of Pakse Bridge, will be able to trade with both Thailand and Cambodia.

In its attempts to review economic management, the LPDR has passed an economic law for the promotion and protection of foreign investment in the LPDR.

However, common shortcomings observed by business people who went to explore investment opportunities in Laos are:

1. Laos has no laws for protecting the operation of financial institutes, insurance, and real estate businesses. The revenue of financial institutes in Laos comes from fees collected from loan transfers and related services.

2. Investors are left to face inconveniences caused by bureaucratic red tape, bribery, and a sluggish attitude among officials concerned.

3. The country lacks a quality work force and has no business administration schools to produce qualified graduates.

4. Public facilities such as roads, electricity, and running tap water are insufficient.

5. The government is unable to control the unrealistically high cost of living. The cost of living is incompatible with the people's income and may later become a major problem in the country.

"The present LPDR might resemble Thailand 30 years ago. But in 2000, Laos might be able to compete with Brunei in terms of per capita income. But this depends on how well the Lao Government can build the country's economy. If everything proceeds as planned in the fourth economic plan, the realization of such a dream is not beyond the reach of the Lao Government.

More Reportage on Australia's Keating's Visit

Multilateral Trade Practices Viewed

BK0804025094 Bangkok Radio Thailand Network in Thai 1200 GMT 7 Apr 94

[Text] During their formal meeting at Government House today, Prime Minister Chuan Likphai and Australian Prime Minister Paul Keating discussed expanding bilateral trade and investment cooperation and promoting free trade practices.

Aphisit Wetchachiwa, spokesman of the Prime Minister's Office, disclosed that in addition to trade and investment policies, the Australian side expressed its desire to use Thailand as an aviation center for Qantas Airlines. The Thai side asked the Australian delegation to protect Thai products which have difficulties when imported to Australia and those products which were once accused of market dumping by asking Australia to use various cautious measures. Aphisit said:

[Begin recording] Besides bilateral issues, the two sides exchanged views extensively on how to use the multilateral cooperation framework to serve the two countries' trade, investment, and economic interests. In particular, the two sides have recognized the important role of the economic cooperation forums such as the Asia-Pacific Economic Cooperation, or APEC, and discussed possible ways to further expand cooperation in different areas. They discussed the possibility of linking economic cooperation between the ASEAN Free Trade Area and the economic cooperation zone, the so-called CER, of which Australia and New Zealand are members. This issue has never been brought up for official discussion previously. However, both the Thai and Australian sides agreed that further actions must be taken in this regard. Thailand itself can bring up this matter during ASEAN meetings, while Australia seeks consultations with New Zealand as well as members of ASEAN, AFTA [ASEAN Free Trade Area], and other groupings. Multilateral economic cooperation itself is very significant. The two sides agreed that it is a framework that can effectively prevent and discourage any country from resorting to unilateral trade measures which threaten and cause damage to the economies of others. Moreover, the stability is also a byproduct of multilateral cooperation. Despite the end of the Cold War, the two sides deemed it necessary to continue consultations on the security issue. [end recording]

Speaking to reporters during an interview after the meeting, Deputy Prime Minister Suphachai Phanitchaphak disclosed that the two sides agreed to turn APEC into a multilateral economic cooperation grouping. Suphachai said:

[Begin Suphachai recording] We discussed multilateral cooperation with APEC. The Australian side reiterated its concern over this issue. It noted that the United States is moving toward multilateral cooperation and that this is the right move. A multilateral basis means many countries are involved in any agreement. Australia does not want the United States to resort to bilateral actions similar to what it is doing with Japan. Therefore, Australia asks Thailand to help to build up the strength of APEC because APEC was established with support from U.S. politicians and economists who support the principle of multilateral trade. They do not want to see APEC lay idle for fear that certain elements in the United States might turn to practicing trade harassment on a unilateral basis. Prime Minister Chuan reaffirmed that Thailand has always supported and wants to see a strong APEC. However, he suggested that APEC apply GATT agreements as soon as possible and try to comply with GATT rules. He also noted that APEC members are not equally developed like countries in the European Union. This issue must also be considered. [end recording]

Prime Minister Hosts Banquet

BK0804083394 Bangkok Radio Thailand Network in Thai 0000 GMT 8 Apr 94

[Text] Prime Minister Chuan Likphai hosted a banquet in honor of visiting Australian Prime Minister Paul Keating, his wife, and his delegation at Government House yesterday evening. The Australian prime minister and his entourage are currently on an official visit to Thailand as guests of the Thai Government.

In a welcome speech delivered at the banquet, Prime Minister Chuan said that the meeting between the Thai and Australian delegations during the visit will provide a good opportunity for both sides to develop their existing friendship, create better understanding, and expand cooperation between the two countries in the exploitation of their energy and potentials. The meeting will also enable both sides to find ways to enhance their roles in increasing the regional dynamic and collaboration. In addition, the prime minister expressed his admiration for Australia's constructive role in the Southeast Asian and Asia-Pacific regions. Australian participation in the opening of the Thai-Lao Friendship Bridge is an historic event that reflects a great achievement resulting from international cooperation. Australia is thereby considered to have a role in the process of establishing peace and progress in Southeast Asia.

Keating on Linking AFTA, 'CER'

BK0804072794 Melbourne Radio Australia in English 0500 GMT 8 Apr 94

[Text] Australia is to discuss formally with New Zealand a plan to extend the free trade zone in the Asia-Pacific. Graeme Well reports Prime Minister Paul Keating is enthusiastic about Thailand's idea of linking Australia and New Zealand into the ASEAN free trade agreement:

[Begin recording] [Well] Mr. Keating says the existing ASEAN regional trade area is about the same as the combined GDP of Australia and New Zealand, so including those two countries would double the market. Thailand says the idea's been received positively by other ASEAN member states. Now Mr. Keating's been invited to discuss it formally with them and New Zealand. He says wherever the motion of freer trade can be extended, it ought to be:

[Keating] It would further on depend on trade efforts in the area and more rapidly [words indistinct] the prospect of higher economic growth and more employment. [end recording]

A federal opposition trade spokesperson, National Party leader Tim Fischer, said Australia should proceed with caution towards linking Australia and New Zealand with the ASEAN free trade agreement. Mr. Fischer says while the coalition sees advantages in some relationship between the closer economic relations, CER, and the ASEAN Free Trade Area [AFTA], it must not create an exclusive or discriminatory trade bloc.

Ugandan Trade Minister Encourages Investment

BK0804044494 Bangkok THE NATION in English 8 Apr 94 p B3

[Text] Uganda's visiting Trade and Industry Minister Richard Kaijuka has urged Thai investors to help develop his country's untapped natural resources, saying the African state has enjoyed nearly a decade of political and economic stability.

He said the country is economically attractive and full of economic opportunities and that the government has introduced a number of incentives including investment codes and certain tax-free periods to promote foreign investment.

Despite its plentiful resources and steady economic growth, the landlocked nation of 17 million people still lags behind for lack of expertise and experience. He specified the agriculture and food processing, textile and garment, hotel and tourism industries, telecommunications, stones and gems, leather industry, mining and hydro energy as the main sectors which are open to Thai businessmen.

"Uganda's (economic) performance is outstanding but we could do better with Thai experience and expertise. We would like to invite serious Thai businessmen and manufacturers to invest in our country because of your experience and expertise... The sky is the limit," he said.

Uganda was one of the fastest growing African states after its independence from Britain in October 1962. But 10 years later the country plunged into political turmoil with a dictatorial regime and civil war ravaging the country's economy.

After the national resistance movement under Yoweri Museveni toppled the dictatorship in 1986, the country embarked on a market-oriented policy. Financial reform, a free-market economy and privatization have helped revive the sagging economy. Since 1991, the average annual growth has stood at 5 per cent and inflation has gone down from 360 per cent to around 3 per cent. About 80 per cent of workers are engaged in agriculture and 96 per cent of the national income comes from coffee production.

Kaijuka said Uganda is blessed with a moderate climate and its geographic location in the heart of Africa makes it a good springboard for manufactured goods into other central, eastern and southern African nations. The country, he said, is a member of the 250-million-people

Common Market for Eastern, Central and Southern African States (COMESA), which was established last year and includes countries from Ethiopia down to Swaziland. With the expected new membership of South Africa, the COMESA will expand to 300 million people.

The trade minister, who stopped in Thailand on his way to Singapore, said his country has adopted a number of incentives including tax-free import of equipment and a tax-free grace period of five years. He said other privileges will be added. The country's currency is also fully convertible and can be exchanged without limit at any time, he said.

Kaijuka made a courtesy call on Deputy Foreign Minister Surin Phitsuwan on Tuesday and introduced James Mulwana, who was appointed honorary consul-general of Thailand in Uganda, to the Thai minister.

According to Dr Suraphon Siwithe, director of the Foreign Ministry's African Division, two Thai candidates are being proposed by the Industry Association as honorary consul-general of Uganda in Thailand. The names are being submitted to Uganda for final approval and selection.

The two countries established diplomatic ties in 1985 and Thailand has assigned its ambassador to Nairobi, Kenya, as envoy to Uganda, while the latter has assigned its high commissioner to New Delhi, India, as ambassador to Thailand.

Chaisit on Evidence for Warrants in Bomb Case

BK0804051694 Bangkok THE NATION in English 8 Apr 94 p A1

[Text] Police have enough evidence to issue warrants for the arrest of two men believed responsible for the truck-bomb discovered in Bangkok last month, city police chief Chaisit Kanchanakit said yesterday.

Chaisit said police had photographs of the two suspects, but he did not identify them as Thais or foreigners. He said information gathered by police was the same as that received by the National Intelligence Agency.

Police discovered a truck wired with explosives in Bangkok last month. They speculated it was destined for the Israeli Embassy in Soi Langsuan before it was involved in a minor traffic accident. Witnesses said the truck driver, who later fled, was of Middle Eastern appearance.

Chaisit said he could not say whether the bomb had anything to do with international politics.

"I can say only that police already know who the culprits are and their intention. The suspects may still be in Bangkok," he said. Police would discuss with the Interior Ministry whether arrest warrants should be issued.

Vietnam

Radio Cites AFP on U.S. Comment on MIA's

BK0704122694 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 7 Apr 94

[Text] According to AFP, the U.S. State Department on 6 April issued a statement asserting that U.S. teams did not find any signs of American servicemen being alive in the 10 detention camps that the U.S. side had inspected over the past six weeks. The statement rejected the allegations made by the three American citizens who left Vietnam on 3 April that U.S. inspectors were not allowed to have access to Vietnamese prisons. The U.S. State Department statement asserted that members of the Hanoi-based Task Force for U.S. Servicemen Missing in Action had asked for permission to visit ten detention camps in six weeks and had been allowed to go to all of those camps.

Summit Meeting With Sweden Continues in Hanoi

Bildt Meets Leaders 7 Apr

BK0804014394 Hanoi VNA in English 1430 GMT 7 Apr 94

[Text] Hanoi VNA April 7—Swedish Prime Minister Carl Bildt arrived here this morning for an official friendship visit to Vietnam as guest of Prime Minister Vo Van Kiet.

He was welcomed in a state ceremony at the Presidential Palace by Prime Minister Vo Van Kiet, Foreign Minister Nguyen Manh Cam, Mayor of Hanoi Le At Hoi and other Vietnamese ranking officials. Swedish Ambassador to vietnam Mats Aberg and members of the diplomatic corps and representatives of international organizations in Hanoi were also present. Speaking at the ceremony Prime Minister Vo Van Kiet thanked the Swedish Government and people for their great support and assistance to the Vietnamese people. For his part Prime Minister Carl Bildt stressed that his visit was a landmark of a new era in the relationship between the two countries. He reaffirmed that the Swedish Government and people would continue their aid to Vietnam, thus to contribute to its economic renovation. Later P.M. Carl Bildt and his party attended the inaugural ceremony of household electric appliances centre in Hanoi, a joint venture between Vietnam and Electrolux of Sweden. In the afternoon, a number of ranking officials in the Swedish delegation met with representatives of the State Planning Committee, the State Committee for Cooperation and Investment, and the Ministry of Trade. During these meetings, the two sides exchanged views on possibilities of broadening the cooperation and investment and economic exchanges between Vietnam and Sweden in conformity with the new situation. Yesterday, the Swedish prime minister and his party arrived in Ho Chi Minh City, beginning a three-day official friendship visit to Vietnam. The same day, mayor of the city Truong Tan Sang paid a courtesy visit to Mr. Carl Bildt, during which he informed the Swedish guests of the socio-economic situation, especially the achievements recorded by the people of the city in the current renovation process. In the evening, mayor Truong Tan Sang gave a banquet in honour of Swedish Prime Minister Carl Bildt and his party. Earlier, the Swedish prime minister attended a ceremony to inaugurate a mobile telephone system which started in early 1994. The system were installed with equipment made by Ericsson of Sweden at a cost of more than USD 6 million.

Economic Documents Exchanged

BK0804020594 Hanoi VNA in English 1509 GMT 7 Apr 94

[Text] Hanoi VNA April 7—Prime Minister Vo Van Kiet gave a banquet here this evening in honour of Swedish Prime Minister Carl Bildt and his party. The two prime ministers delivered speeches and raised toasts to the further development and consolidation of the friendship and mutually beneficial cooperation between Vietnam and Sweden. This afternoon, a ceremony was held to exchange documents on the agreement on avoidance of double taxation recently signed between the two countries in Stockholm. The exchange was witnessed by P.M. Vo Van Kiet and P.M. Carl Bildt. Vice Foreign Minister Nguyen Di Nien and Swedish Ambassador to Vietnam Mats Aberg were also present at the event.

Bildt Meets President, Others

BK0804021694 Hanoi VNA in English 1517 GMT 7 Apr 94

[Text] Hanoi VNA April 7—President Le Duc Anh and National Assembly Chairman Nong Duc Manh today received here on separate occasions Swedish Prime Minister Carl Bildt and his party on an official friendship visit to Vietnam. Speaking at the reception, President Le Duc Anh welcomed Prime Minister Carl Bildt's Vietnam visit and he said he considered it an expression of the further consolidation and development of the friendship, cooperation between the people of Vietnam and Sweden. On behalf of the Vietnamese people, President Le Duc Anh sincerely thanked the Swedish Government and people for their precious support to the Vietnamese people in their struggle of national liberation in the past and in the current renovation process and national construction. He expressed his belief that the friendship and cooperation in various fields between the two countries would be further developed. While receiving the Swedish distinguished guests, Chairman Nong Duc Manh said that Sweden's whole-hearted and effective support and assistance were really a source of encouragement to the Vietnamese people in the their revolutionary cause. For his part, Prime Minister Carl Bildt expressed his satisfaction at his first Vietnam visit. He thanked Chairman Nong Duc Manh for his gracious words, and he said he wished for the further development of the relations between the two governments and the two peoples, especially the legislatures of the two countries.

Vo Van Kiet, Bildt on Bilateral Ties

BK0804023894 Hanoi VNA in English 1531 GMT 7 Apr 94

[Text] Hanoi VNA April 7—Prime Minister Vo Van Kiet and Prime Minister Carl Bildt held talks here this afternoon. Speaking at the talks, Prime Minister Vo Van Kiet informed Mr. Bildt of the achievements recorded by the Vietnamese people in their current renovation process. Vietnam, he said, is always for the development of the friendly and cooperative relations with all countries including Sweden. He highly appreciated the Swedish Government and people's great, effective support and assistance to Vietnam in its struggle for national independence in the past as well as in the renovation process at present. He also spoke highly of the Swedish Government's continuation of aid to Vietnam. He expressed Vietnam's desire to strengthen and broaden its cooperation programmes with Sweden in forestry, healthcare, energy and other fields which had been implemented for many years. He said he wished that Sweden would continue the programme to support Vietnam's economic renovation through various projects on laws, financial, banking, economic management, personnel training and scientific-technical cooperation. Vietnam, P.M. Kiet added, is ready to, together with Sweden, broaden its cooperation in telecommunication, electronics, transport, infrastructure construction, environment protection and other fields on the basis of mutual benefits. For his part, P.M. Carl Bildt welcomed the achievements recorded by the Vietnamese people in the current renovation process He reaffirmed that the Swedish Government would continue its aid to Vietnam in order to accelerate the renovation process and broaden its cooperation with Vietnam in trade, industry, forestry, science and technology concern. [sentence as received]

This afternoon, P.M. Bildt called on the Vietnamese Ministry for Foreign Affairs and exchanged views with Foreign Minister Nguyen Manh Cam on some security and cooperation issues in the region.

AFP Cites Bildt on Human Rights

BK0704145394 Hong Kong AFP in English 1359 GMT 7 Apr 94

[Text] HANOI, April 7 (AFP)—Swedish Prime Minister Carl Bildt accused Hanoi Thursday of being "unduly slow" in improving its human rights situation, following what he indicated were difficult talks on the issue with Vietnamese officials.

"We have to use that phrase 'a frank and open discussion' on this matter," Bildt told a press conference here using the diplomatic euphemism for a strong disagreement.

Bildt said he had told Prime Minister Vo Van Kiet that "dialogue with Vietnam on human rights was making unduly slow progress" and urged him to look again at a number of cases raised by Sweden.

"He said he would do this, but it remains to be seen if it has any effects," Bildt said, adding that Sweden would "stand firm on the issue".

Bildt is the first Swedish premier to visit Vietnam despite close links between the two countries, which established diplomatic relations in 1969, long before most Western nations did so.

His visit has focused on "broadening a relationship based on aid" and moving it towards trade and investment, he said.

Sweden—which has given a total of 1.2 billion US dollars in aid to Vietnam—would no longer hand over large sums of money and then decide how it was to be used, but would instead target areas that would help the country's economic reforms, he said.

Mistakes had been made in Sweden's aid policies in Vietnam, Bildt said. The Swedish-funded Bai Bang paper mill northwest of Hanoi has become a development white elephant, draining away 450 million dollars and only running at a fraction of its capacity.

"Some of the countries around the world that have received the most economic assistance have faired the worst," Bildt said, while many countries that had received no aid "had achieved spectacular economic and social results".

"There is no reason whatsoever why Vietnam, given the right policies, should not be able to achieve what other nations in the region have managed to achieve," the fervently free-marketeer premier said.

Bildt said he believed he was witnessing "what might come to be called the start of the real Vietamese revolution."

Dismissing a suggestion that Vietnam might be disappointed by his stand after years of almost unconditional support from the Scandanavian nation, Bildt said he wanted to build ties based on business and economic cooperation.

"There was a time when countries signed communiques and pledged eternal friendship but it doesn't work that way in the modern world," he said.

Sweden has been slow to capitalise on its position here, ranking 17th among international investors, with projects worth 60 million US dollars. Trade has been minimal, reaching only 10 million US dollars last year.

Bildt, who visited Ho Chi Minh City before arriving in Hanoi, held talks with several other officials including President Le Duc Anh and Foreign Minister Nguyen Manh Cam.

He is to leave for Hong Kong Friday on the last stop of an Asian tour that has taken in Singapore and Malaysia.

Further on Palestinian Foreign Minister's Visit

President Receives Qaddumi

BK0704120394 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 5 Apr 94

[Text] President Le Duc Anh cordially received Palestinian Foreign Minister Faruq Qaddumi who, now on an official friendship visit to Vietnam, paid him a courtesy call.

Minister Faruq Quaddumi expressed his honor as this is his first visit to Vietnam. He also expressed his admiration and joy over the achievements scored by the Vietnamese people in their renovation process and in national construction at present as well as in their struggle for national independence in the past.

President Le Duc Anh welcomed the visit to Vietnam of Foreign Minister Faruq Quaddumi, viewing it as a manifestation of the lasting friendship between the peoples of Palestine and Vietnam.

Qaddumi Holds Press Conference

BK0704144094 Hanoi Voice of Vietnam in English 1000 GMT 6 Apr 94

[Text] Palestinian Foreign Minister Faruq Qaddumi on Wednesday held a press conference on the results of his official friendship visit to Vietnam.

Addressing the press conference, Mr. Faruq Qaddumi said:

[Begin Faruq Quaddumi recording] We are happy today to be here in Vietnam. The aim of this official visit is to exchange views on the current affairs that affect our peoples and countries. We have the pleasure to see this opportunity for visiting Vietnam to exchange with His Excellency the President of Vietnam, Mr. Le Duc Anh, and His Excellency the Minister of Foreign Affairs on the Asian developments, and on the on-going peace process in Middle East. We have had also the opportunity to listen with great interest to the social and economic development of the Vietnamese economy and the great progress achieved. We wish to seize this opportunity and express our heartfelt thanks and appreciation for the kind invitation and the warm reception of our friends the Vietnamese and for their continuous support to the cause of Palestine and for their solidarity with the just struggle of the Palestinian people to regain their national rights. Thanks. [end recording]

That was Faruq Qaddumi at the press conference in Hanoi on Wednesday.

Earlier, during talks with the visiting Palestinian foreign minister, State President Le Duc Anh reaffirmed that Vietnamese state and people have fully supported the struggle of the Palestinian people for the establishment of an independent and sovereign state of Palestine on its territory.

In the talks, Foreign Minister of Vietnam, Mr. Nguyen Manh Cam, and the Palestinian counterpart condemned the recent massacre of Palestinians in Hebron by the Israeli extremists, considering it an obstacle to the peace process in the Middle East.

The two foreign ministers also demand that the Israeli authorities to take appropriate measures to check similar acts.

Tokyo, Hanoi Said To Differ on Economic Ties

OW0604084794 Tokyo KYODO in English 0829 GMT 6 Apr 94

[Text] Ho Chi Minh City, April 6 KYODO—Business leaders from Japan and Vietnam differed on ways to promote Japan's direct investment in Vietnam as they opened a joint economic session Wednesday [6 April], conference sources said.

The sources said the Vietnamese side urged Japan to accelerate direct investment in the country to help promote its economic development.

The Japanese delegation took a cautious stance on the issue, seeking Hanoi to consolidate legal and infrastructural measures to promote the inflow of Japanese capital, they said.

The Japanese panel expressed disappointment at slow progress in improvement particularly in electric power, transportation and communications industries, and the double pricing system for public utilities rates, the sources said.

The conference, the second session of a joint Japan-Vietnam economic conference, drew attention as it took place amid the changing international situation in favor of Vietnam, such as resumption of aid by international financial institutions and the lifting of economic sanctions by the United States, they said.

The 117-member Japanese delegation consists of representatives from about 60 major corporations. The Vietnamese panel was led by Vice Premier Tran Duc Luong.

Party Delegation Visits Counterparts in Japan

BK0804012394 Hanoi VNA in English 1419 GMT 7 Apr 94

[Text] Hanoi VNA April 7—A delegation of the Communist Party of Vietnam arrived in Tokyo on April 5 for a working visit to Japan at the invitation of the Central Committee of the Japanese Communist Party (JCP).

On April 6, the delegation led by Dao Duy Tung, member of the Politcal Bureau and Secretariat of the party Central Committee held talks at the JCP's headquarters with a JCP delegation led by Kazuo Shii, chief of the Secretariat of the JCPCC [Central Committee] and executive member of its Presidium and member of the House of Representatives.

The two sides informed each other of the situation of their respective party and country, exchanged views on international issues of mutual concern and discussed measures to strengthen the relations of solidarity, friendship and cooperation between the two parties in the present situation.

Upcoming Visit of Australia's Keating Hailed

BK0704161594 Hanoi Voice of Vietnam in English 1000 GMT 6 Apr 94

[Station commentary]

[Text] Prime Minister Paul Keating of Australia will pay an official visit to Vietnam shortly. This event is taking place nine months after the visit to Australia by Vietnamese Prime Minister Vo Van Kiet. Here is our comment on the event:

The visit to Australia by Vietnamese Prime Minister Vo Van Kiet in last year is considered a historic event in bilateral relations and so it will be the coming visit to Vietnam by Australian Prime Minister Paul Keating. [sentence as heard]

These significant events taken place in less than a year prove that relations between Vietnam and Australia have reached a turning point in cooperation for mutual benefit.

During the last two years, the relations between the two countries have seen wonderful developments. In 1992, the trade turnover between the two countries was less than $2 million and the figure is 120 times now, reaching $252 million. At present, Australia is the sixth biggest investor in Vietnam with 23 projects worth $2.65 billion. However, leaders of the two countries will wish to further develop bilateral cooperation, especially in trade. These wishes are likely to be achieved.

On his visit to Australia last year, Prime Minister Vo Van Kiet reaffirmed that the Vietnamese Government welcomes and will create favorable conditions for Australian companies wishing to do business with Vietnam.

For his part, the Australian prime minister also affirmed that his country is ready to help Vietnam in transport, telecommunications, infrastructure, energy, and (?oil and gas) exploration.

It is expected that there will be new and positive decisions made during the coming visit to Vietnam by the Australian prime minister to make the bilateral cooperation and relationship more fruitful.

Delegation Attends Annual ESCAP Meeting

BK0804011994 Hanoi VNA in English 1409 GMT 7 Apr 94

[Text] Hanoi VNA April 7—Deputy Foreign Minister Vu Khoan is leading a Vietnamese delegation to the annual meeting of the Economic and Social Commission for Asia and the Pacific (ESCAP) being held in New Delhi India.

In this 50th annual meeting, the Vietnamese lead delegate was elected vice chairman of the meeting at its opening session on April 5.

Addressing the meeting in the afternoon the same day, Mr Vu Khoan highlighted the major achievements recorded by the Vietnamese people in implementing the policy of renovation of economic development and external affair activities in the past years.

He called on all countries and international organizations over the world to assist and cooperate with Vietnam in the construction of its infrastructure in service of economic production and people's daily life.

He highly appreciated ESCAP's role in promoting regional cooperation in all fields, especially in economy. He also appreciated ESCAP's effective cooperation and active assistance to Vietnam.

Government Holds Regular News Conference

BK0804112994 Hanoi Voice of Vietnam in English 1000 GMT 8 Apr 94

[Text] Vietnam's diplomatic activities from now to the end of the month will be active. This was stated by the spokesperson of the Vietnamese Foreign Ministry, Mrs. Ho The Lan, at a regular press conference held in Hanoi on Thursday.

Mrs. Ho The Lan said: At the invitation of the Indian Lower House, chairman of the Vietnam National Assembly will pay an official visit to India in mid-April. The two sides will discuss measures to promote bilateral ties between the two legislative bodies. The visit is also expected to contribute to further the consolidation and development of traditional fine relationship between Vietnam and India. In this spirit, the Vietnam-India joint Committee will meet in Hanoi from 15-17 April. The Indian delegation is led by Minister of State in charge of External Relations, Mr. R.L. Bhatia, as the co-chairman of the Vietnam-India joint committee; and the Vietnamese delegation is led by Foreign Minister Nguyen Manh Cam, also co-chairman of the committee.

To increase the efficiency of the special relationship between Vietnam and Laos, a Vietnamese Government delegation led by Deputy Prime Minister Phan Van Khai, left for Laos to attend the 16th meeting of the Vietnam-Lao Intergovernmental Commission on Economic, Cultural, Scientific, and Technical Cooperation held in Vientiane. The two sides reviewed the implementation of documents signed by the two governments in 1993 and worked out plans for 1994.

In the second half of April, guests to Vietnam will be Russian Deputy Prime Minister Y.F. Yarov, chairman of the Russian subcommittee of...to the Intergovernmental committee of Russian Federation who will come to Vietnam to attend the 3d session of the committee from 12-14 April.

Foreign Ministers of Czech Republic, Ukraine, and a representative of the UNHCR, Mrs. Sadako Ogata; British cabinet secretary and a number of British businessmen will visit Vietnam to promote bilateral and multilateral ties between Vietnam and these countries.

Mrs. Ho The Lan also said: According the agreement reached between Vietnam and the United States, the two sides will conduct the 29th joint search in northern and central Vietnam from 21-25 May.

Noteworthy is that from 21-24 April, there will an exhibition in Hanoi on products of about 40 American companies.

Meanwhile, relations between Vietnam and China have been consolidating and developing. Together with a visit to Vietnam by the delegation of China's General Department of Tourism and the Ministry of Forestry, a China-Vietnam fair will be held in Lang Son Province.

It is planned that on 17 April, Vietnam and China will open the international border gate at Mong Cai and Dong Hung and (?Double) Bridge in another border province of Quang Ninh. This is the first international border gate open along Sino-Vietnamese border after the Friendship and Lao Cai gates.

That was a preview of Vietnam's diplomatic activities in the second half of April.

Further on Hanoi Midterm Congress Resolution

Resolution, Part II

BK0804032494 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 16 Mar 94 p 2

[Second installment of the "basic content" of the Hanoi 20-25 January Midterm Party National Conference Resolution]

[Text] 4. To what dangers did the political report refer?

There are four dangers:

—The most outstanding danger is the possibility of being left further behind economically. We are already behind when compared to our neighbor countries. We will be left further behind if we do not perform well in leadership, management and in many other tasks. This could lead to lagging economic development, low efficiency, and backward industry. This will make our life more difficult, jeopardize political stability, and limit our ability to consolidate national defense and security.

—The risk of being disoriented from socialism will happen if we are not able to overcome the deviations in the lines and policies as well as in the implementation of those policies and lines.

The aforesaid achievements proved that we basically have been moving in the right direction. At the same time we have nurtured many deviations that are not acceptable in socialism.

On the ideology front, the struggle against misguided and hostile viewpoints is slow and shows a lack of profound awareness about the dark scheme and sabotage activities of hostile forces, which are aimed at scrapping the party and socialism. A low level of vigilance prevails. Deviations from socialism have led to the birth of straying trends denying the revolutionary achievements on culture and literature and arts, claiming that literature and arts should be separate from the political lines of the party.

In the economic context, the state-managed and the cooperative economic sectors are slow to renovate and consolidate. The state-managed economic sector has not played well its leadership role in both production and distribution. In many localities, cadres do not exercise thrift to save more for national construction, thus causing big losses and waste to the state and collective properties.

We have to do our utmost to avoid this danger, not only at the level of grassroots management, but also at the levels of policy making and orientation. Errors made in the phases of guiding or steering the implementation of lines and policies may lead to wrong lines and policies.

—The danger of corruption and authoritarianism. Corruption has become a national disaster, a hot and urgent issue that is wearing down our people's confidence.

Authoritarianism makes the party and state distant from the people. It can produce actions that run counter to the interests and aspirations of the people thus damaging the trust of people in the party and state.

—The plots and activities of "peaceful evolution" initiated by hostile forces constitute a major and serious danger. To prevent and counter "peaceful evolution," we have to fight this violent subversion plot, which is a class struggle, a struggle between capitalism and socialism at a very complicated and decisive stage. This struggle has a vital meaning to the survival of our party and political regime, and to the independence of our country.

The four dangers have, between themselves, inter-related and dialectical relations. Successful suppression of one danger will limit the development of the others, and vice versa. The danger of "peaceful evolution" has effected, and is effecting vigorously internal dangers. Elimination of internal dangers means the failure of the "peaceful evolution" plot of hostile forces.

We will firmly grab our opportunity to develop advantages and strength. We are capable and we will repel all four dangers

5. What is the background of our achievements?

The party midterm national conference has affirmed that the most basic, vital reason for our achievements is our party's determination to maintain a leadership role, reject pluralism and a multiparty system, safeguard our independence, and innovatively set up lines and policies that suit the rules and realities of Vietnam. This will successfully motivate the comprehensive strength of the national unity bloc and expand international cooperation.

Our party is a party of the worker class, the representative for the interests of the worker class, the laborers, and the people as a whole. This reality has been proved through the great victories scored by our people under the leadership of the party. Taking advantage of the current complicated situation in the world, the reactionaries, those hostile forces attacking us, are attempting to overthrow our regime in various ways. The most dangerous of them is the call for pluralism, a multiparty political system, and the legitimization of the opposition and reactionary forces. Realities in other socialist countries showed that the practice of pluralism and multiparty system is the prelude to a loss of leadership by communist parties, to the fall of people's governments, to the demise of social order, and to the growth of ethnic hatred and a difficult life for people.

In order to obtain further successes in our renovation, our party has to continue to develop Marxism-Leninism and Ho Chi Minh Thought, especially Lenin's thought on the new economic policy and state capitalism. The party has to work out innovative transition models and intermediate steps that suit our concrete circumstances in order to firmly bring the country to socialism.

II. The New Development Stage and Major Tasks

In evaluating achievements and analyzing weaknesses, the conference has come to an important assessment: In spite of the shortcomings we need to overcome, there have been important achievements created. We need to create the premises for the country to shift to a new development stage, one of industrialization and modernization.

Those premises include many elements in both stature and strength, in both physical and spiritual contexts, as well as in economic, political, cultural, and social fields from both inside and outside the country.

The conference determined the transition phases to the new development stage. We have not had all the premises yet, and we should not hastily advance to the new stage. We have to advance carefully as we continue to solve remaining issues. This way we will avoid economic crisis and create more premises for industrialization and modernization.

Resolution, Part III

BK0804032794 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 17 Mar 94 p 3

[Third installment of the "basic contents" of the Hanoi 20 to 25 January Midterm National Party Conference Resolution]

[Text] To gradually shift to a new stage of development full of opportunities as well as of dangers and challenges and continue to realize the general objectives set by the seventh party congress, the conference defined the tasks to be completed during the remaining part of the seventh CPV [Communist Party of Vietnam] Central Committee's term as follows: It is necessary to motivate the entire party, people, and Army to display single-mindedness; make outstanding efforts; uphold the spirit of independence, self- sufficiency, and self-reliance; broaden international cooperation; respond to the movement for thrift, impartiality, and righteousness; make use of all advantages and opportunities; repel dangers; overcome challenges; and step up efforts to achieve the objectives of the economic stabilization and development strategy for the period until the year 2000, thereby realizing the goals of making the people rich and the nation powerful and of bringing about justice and civilization in society.

There are eight key tasks to carry out as follows:

1. Effecting changes in the economic structure based on the need for industrialization and modernization.

—It is necessary to combine industrialization with modernization because we must carry out not only the industrialization program, but we must also change the structures of all sectors, areas of activities, and the national economy as a whole based on the need for the acquisition of modern technologies. It is important not only to go through the stages of mechanization, automation, and computerization, but also to apply scientific- technological innovations to different areas of activities and make efforts to seize opportunities to shorten our process and to form spearheads of development to catch up with scientific and technological progress in the world. It is necessary not only to apply modern technologies, but also to make full use of and modernize traditional technologies.

—Do we have enough money to carry out the industrialization and modernization program?

The important premises rest with the fact that the renovation undertaking has recorded many achievements and the socioeconomic situation in our country has been stabilized to an important extent. The practical results are as follows:

The grain problem has been resolved in a relatively comprehensive manner.

There has been an increase in the supply of agricultural, forestry, and sea products to support processing industries.

The domestic market has been broadened a step further.

The national economy has begun to achieve some capital accumulation.

The export index has increased considerably and provided enough foreign currency to import materials and staples.

Diplomatic relations have been broadened, thereby enabling us to have access to many sources of capital from foreign countries and international organizations.

The period from now until the year 2000 is not yet a stage of far-reaching and large-scale developments, but only a step forward in which efforts will be concentrated on projects that are necessary and that can yield effective results and create momentum for fast economic growth in the next decade.

What is the significance of our efforts to accelerate the industrialization and modernization program a step further?

—Effecting changes in the economic structure based on the need for industrialization and modernization constitutes a key task of primary importance in the days ahead. This move helps create more jobs, quickly increase the economic growth rate, improve the material and spiritual life of the people, firmly maintain political stability and social order, safeguard independence and sovereignty as well as socialist orientations, and eliminate the danger of being left farther behind compared with neighboring countries.

Based on past experiences, what are the concepts that we must firmly grasp to enable the industrialization and modernization program yield effective results?

The political report clearly puts forth a number of concepts on industrialization and modernization as follows:

—The firm maintenance of independence and sovereignty must go along with the broadening of international cooperation, building an open-door economic development policy both at home and abroad, multilateralizing and diversifying relations with other countries, combining economic activities with national defense and security, and linking economic growth with the achievement of social progress and social justice as well as with cultural development and environmental protection.

—Persisting on the strategy of directing vigorous efforts at exports while at the same time replacing imports that can be produced locally. It is necessary to take socioeconomic results as a fundamental standard for determining the course of development and for selecting investment projects and technologies.

—Appropriately gathering resources for the various fields of activities and various key areas to promptly produce high results while paying attention to meeting the essential requirements of localities which have difficulties.

—Attention must be paid to small- and medium-size projects that require small investment capital or capital that can be recovered quickly. It is necessary to build a number of necessary, large-scale projects that can yield effective results.

—Making intensive capital investments to exploit to the fullest our productivity and our existing technologies with an emphasis on projects that affect product competitiveness. From now until the end of this decade, great attention must be paid to agricultural industrialization and to the rural economy. We must carry out comprehensive agricultural, forestry, and fishery development in conjunction with efforts to develop processing industries for agricultural, forestry, and marine products and for consumer goods manufacturing and exports.

Is it true that if we regard industrialization and modernization as a key task of primary importance in the days ahead, we will belittle the role of agriculture?

This concept is not at variance with the strategy of directing vigorous efforts at agricultural development. Agricultural production still remains one of the decisive factors for stabilizing the socioeconomic situation and for creating the groundwork for industrial development. Nonetheless, agricultural development should be understood in a broad sense, not as development that is based solely on agriculture or worse still, on backward agriculture. The party Central Committee Fifth Plenum has pointed out: It is necessary to take comprehensive measures to promote agricultural development and rural socioeconomic development, regarding this move as a very urgent task. To this end, we must necessarily accelerate agricultural industrialization and modernization; develop the rural economy; and boost agricultural, forestry, and fishery development in conjunction with efforts to promote processing industries and other industrial and service sectors in the countryside itself, bearing in mind the need to coordinate action and achieve cooperation with other sectors and areas.

Resolution, Part IV

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[Fourth installment of the "basic contents" of the Hanoi 20-25 January Midterm National Party Conference Resolution]

[Text] Industrialization and modernization must first of all come in agriculture to improve agriculture. The political report confirms that from now until the end of this decade, industrialization and modernization must pay special attention to the industrialization of agriculture and the rural economy.

Where do we exploit the capital resources for our industrialization and modernization?

To carry out industrialization and modernization, we must mobilize various sources of capital in conjunction with effective efforts to manage our capital, with domestic sources of capital being regarded as crucial and foreign sources of capital as important.

We confirm that foreign sources of capital are important, especially in the first stage. It is necessary to introduce structures and policies to attract more foreign capital, put it to more effective use, and invite in modern technology and equipment.

But foreign capital resources are limited and the demand on capital for the entire industrialization and modernization is very great, even in the intermediate period. The capital from development aid is not much and is normally attached to certain conditions. Moreover, in order to use foreign resources, it is necessary to have the same amount of domestic capital. In obtaining foreign loans, moreover, we must consider our repayment capacity and requirements to ensure our independence and economic and political sovereignty. Therefore, domestic capital is still a decisive factor.

The newly industrialized countries, despite receiving much external financial support, still have to mobilize 70 to 80 percent of their domestic capital in the first stage and maintain a total investment of more than 30 percent of their GDP for many consecutive years. If we want to overcome the danger of further lagging behind in our economy, there is only one way: We must be diligent and economical in production, be thrifty in consumption, save for development investment, and increase the total annual investment to more than 20 percent of our GDP in the years ahead.

2. We must strive to implement the policy on developing the multisectoral economy consistently and give various economic components and business establishments more headway to develop quickly and attain strong economic results.

Our party uniformly applies a policy of multisectoral economic development. It considers this a long-term strategic duty to encourage all sectors and people to invest for production and business. It protects the legitimate interests of all owners. At the same time, it strives to build and consolidate the state-run economy and develop the cooperative economy, giving the state-run economy a leading role and gradually turning the cooperative economy into a foundation for our economy as outlined by the party platform.

All economic components are equal. That means they are equal under the law and are encouraged by the government to develop within the bounds of the law.

That does not mean the roles of all economic components are the same in our new socio-economy.

How does the leading role of the state-run economy manifest itself?

The state-run economy is a force that controls all important economic industries, dominates the economy, and ensure the stable development of our economy. It is also a force that creates conditions and helps unite all economic components for common development. It has the ability to intervene and regulate the development of other economic components and of the entire national economy. It guides the market-oriented economy along the socialist direction. It sets examples of productivity and efficiency for other economic components.

According to those requirements, at present the state-run economic sector is running enterprises in the most important production areas. Therefore, it is playing the leading role and dominating the national economy. But its leading role has many limits. First of all, its productivity and efficiency are still low. In some cases, they are worse than those of the individual economy. The state-run economy is not operational in certain business areas that it should be. These weaknesses need to be overcome in the future.

What lines and policies need to be applied to continue rearranging and building a state-run economy sufficient to ensure its leading role in the national economy?

In order to consolidate and build the state-run economy, on the one hand, we have to rearrange state enterprises and deal with those that run perennial losses with different measures. On the other hand, we have to build new enterprises. The most important thing is that we have to find measures to improve state-run enterprises' performance.

We have to introduce the share holding system gradually, depending on the nature and field of the enterprise. We must, however, ensure the state holds the majority of shares.

We have to sell a certain number of shares in different stages to people who work at the enterprise. We will also experiment with selling some shares to organizations and individuals outside the enterprise.

We have to study, experiment, and gradually apply profit sharing in state enterprises (after paying taxes and allocations for production savings and the social welfare fund) with workers and officials at the enterprise.

On the basis of introducing the share holding system, we will organize a board of management that includes representatives of the state, workers, and other share owners. We have to outline regulations and requirements for the board of management to select managers.

We have to perfect and apply different contractual forms in state enterprises, gradually change federated enterprises and general companies to corporations, and slowly eliminate the systems of managing ministries and managing administration authorities and the distinction between centrally managed enterprises and locally managed enterprises.

The aforementioned measures are aimed at:

—Making sure state enterprises and state properties are owned by a concrete and direct owner who has a definite responsibility for the efficient use of the property.
—Creating power for the worker to identify with the enterprise, participate in business policies, and prevent and eliminate corruption.
—Guaranteeing the enterprise's sovereignty and the state's control and attracting more capital resources.